Toptan Satış Mağazaları

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!

Bizim Toptan Stands by You!

2020

Annual Report

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!

Bizim Toptan Stands by You!

BİZİM
Toptan Satış Mağazaları

Contents

Our top priority is the health of our customers and employees!

We have always focused on being there for our customers and offering *uninterrupted service* at the best prices, under any conditions.

2.2 million customers with **15%** increase

Stands by Life!

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!

About Bizim Toptan

Corporate Profile

With its 173 stores in 70 provinces, powerful CRM applications, alternative sales channels, the multi-channel sales model that it improves day by day, and its business partnership dealer system, a first in Turkey, Bizim Toptan is the largest store in the Cash & Carry sector in terms of its number of stores and is the most innovative trading platform with the greatest presence in terms of accessibility.

Bizim Toptan carries out the wholesale trade of brands that are well-known among consumers, of national and international companies operating in Turkey in the main product categories such as food, soft drinks, tobacco products, cleaning, personal care and paper products. Having completed its foundation works in 2001 and commenced its activities with 14 stores in 2002, Bizim Toptan is the largest company in the Cash&Carry (Organized Wholesale Trade) industry in terms of number of stores and the most widely accessible company, operating with 173 stores in 70 out of 81 provinces as of the end of 2020.

Grocery stores, supermarkets, specialized retailers, wholesalers, hotels, restaurants and cafes, fuel station shops, school canteens and individual customers constitute the Company's overall customer portfolio. The company sells to both commercial taxpayers and individual customers. Having acquired a business partnership goods supply system in July 2014, Bizim Toptan became the supplier of the member dealers in this system and became the leading and strongest company in the industry with a business partnership goods supply system.

OVERALL 8,000 PRODUCTS ACROSS TURKEY

Bizim Toptan responds to the needs of all customers with a range of about 8,000 products across the country and an average of 3,500 stock items per store. The Company's product portfolio can be grouped into branded products and private label products. Approximately 95% of SKUs offered for sale consist of branded products and 5% consist of private label products. Having a strong partnership structure with the contributions of Yıldız Holding, Bizim Toptan went public in 2011 and its stocks began to be traded on Istanbul Stock Exchange. Pursuing a cash-generating growth strategy and continuously increasing its presence across the country with its stores and its innovative multi-channel sales model, Bizim Toptan was always there for its customers and employees despite the pandemic conditions in 2020, continued to increase its customer diversity and numbers in line with its strategic plans, achieved an increase in turnover per store, developed its PROSAF (Professional Sales Force) and digital sales platform channels, and implemented its Click & Collect application. In addition, its business partnership goods supply model continued to improve with a win-win approach in the SEÇ Market channel, increased the number of dealers from 801 to 1,209 and founded SEÇ Marketçilik A.Ş.

Bizim Toptan also fulfilled its obligations to its shareholders as it continued to distribute dividends. It distributed dividends of gross TL 14,150,000 from its 2011 profit; gross TL 12,480,000 from its 2012 profit; gross TL 12,692,000 from its 2013 profit; gross TL 2,070,000 from its 2014 profit and gross TL 3,950,000 from its 2015 profit. Due to the company's current growth policy, no dividend was distributed from its 2016 profit. On the other hand, Board of Directors of Bizim Toptan decided to increase its issued capital by TL 20,000,000 (50%) in 2017 to be covered entirely from its previous year's profits. By 10/4/2017, new shares for the capital, which was increased by 50% free of charge, were transferred to the shareholders' accounts.

After distributing a gross cash dividend of TL 10,300,000 from its 2018 profit, the Company distributed a dividend of gross TL 8,268,884 from its 2019 net profit, corresponding to 25 percent of its 2019 net profit in accordance with the Provisional Article 13 of the Turkish Commercial Code No. 6102. Bizim Toptan has a dividend policy of "distributing 50% of the distributable net profit as cash dividend to shareholders with the proposal of Board of Directors and the approval of the General Assembly based on CMB notifications and regulations, taking into account the investment, financing plans and profitability pursuant to the Company's long-term growth strategies".

Mission

To be a strategic business partner that reduces the costs and risks of customers and suppliers and provides them with a competitive advantage.

173
stores

1,209
SEÇ market business partners

PROSAF deployed in
70
provinces with its own specially equipped vehicle fleet

Digital sales channel that recognizes
B2B and B2C customers

Time-saving shopping with
Click & Collect

Vision

To be the number one wholesaler of Turkey with its widespread, modern and reliable concept in the fast-moving consumer goods industry.

2.2 million
customers

6
main customer groups

20
sub-customer groups

Product portfolio of
8,000 SKUs

Product portfolio of
318 SKUs

Milestones

Having started its operations with 14 stores in 2001, Bizim Toptan has become the leading company in the sector with its strong partners and effective management.

2001

Bizim Toptan, the leading company in the wholesale industry, took the first step in its successful journey. Bizim Toptan Satış Mağazaları A.Ş. (Bizim Toptan) was incorporated in 2001 and was registered in Istanbul in accordance with the provisions of the Turkish Commercial Code.

2002

Having completed its incorporation process, Bizim Toptan began to operate with a total of 14 stores, eight of them working under a franchise system. With its corporate strategy and strong organization, the company began its rapid progress on the way to become the leading company in the Turkish wholesale industry.

2006

Operating with 59 stores across Turkey, Bizim Toptan completely stopped managing its stores through a franchise business model in 2006 and began to operate all of its stores personally.

2009

Having improved its extended sales network with 7 new stores, Bizim Toptan appeared as the 55th Largest Company of Turkey in terms of turnover in Capital Magazine's top 500 companies research. Enabling purchasing power through key suppliers and improving its product combination, Bizim Toptan performed successfully despite the crisis.

2010

Continuing to serve its customers with 12 new stores, Bizim Toptan increased its number of active customers to over 194,000. According to the "Turkey Cash&Carry Market" survey conducted by Frost & Sullivan in 2010, Bizim Toptan became Turkey's largest organized wholesaler in terms of number of stores.

2011

Having increased its number of stores to 124 with 15 new stores, Bizim Toptan increased the number of its active customers to 228,000. Bizim Toptan finalized its public offering process in January 2011 and the shares of the company began to be traded on Istanbul Stock Exchange on February 3, 2011. The company switched to new channel management in 2011 and focused on the HORECA segment in this regard. In the last months of 2011, "Bizim Professional Card" application was launched to provide advantages to its customers.

2014

Reaching 153 stores in 65 provinces across Turkey, Bizim Toptan increased its number of customers from 445,000 to 650,000. Acquiring a business partnership goods supply system comprising 196 stores in July, it became the one and only Cash&Carry player in Turkey to have a business partnership goods supply system for B2B.

2016

Bizim Toptan focused on the multi-channel sales strategy in 2016, increased its number of stores from 156 to 162 and increased its areas of activity across Turkey by 68. Bizim Toptan decided to continue its business partnership goods supply system under the brand “SEÇ Market” over the course of the year and increased the number of business partners in the system to 332 by the end of the year. Focusing on developing the private label product category in the course of the year, Bizim Toptan increased the number of SKUs in this category to over 200 and increased its share of sales revenues in the main category sales from 8% to 12.8%.

2017

Bizim Toptan positioned 2017 as a period of “investing in the future”, where its sales strategy was rehabilitated, and its entire functions were revised to achieve more profitable sales. During this period, the company accelerated its store launches and increased its number of stores from 162 to 176. As part of arranging its sale strategy in terms of application, it opened 7 stores for the large wholesaler customers whose sales it conducts on a large cart scale, whereby it improved its current store performance.

It reached its consumers with a range of high quality and affordable products in the private label product category and increased the proportion of sales in this category to the sales in the main category to 15%. It increased the number of "SEÇ Markets" in the business partner goods supply system to 381 while improving its supply rate with its wide-ranging, affordable product portfolio offered to business partners.

2018

In 2018, Bizim Toptan began to reap the fruits of the steps taken in the previous year in terms of transformation, increased the number of active customers by 37.2% compared to the previous year through strong CRM applications and offered services to about 1.5 million customers. Aiming to improve the functions of its stores and target its sales revenue per store, Bizim Toptan commenced works to offer services to its customers through its Professional Sales Force named PROSAF. Bizim Toptan commissioned Pendik Marina store, which was the company's first store to be located inside a shopping mall, and also commissioned Göcek Marina store per its Marina Service concept, whereupon the company sharply increased the number of “SEÇ Markets" in the business partner goods supply system from 381 to 539.

2019

In 2019, Bizim Toptan got solid results from the steps taken regarding transformation and developed its multi-channel business model in terms of both the customer and the sales channel. In addition to the sales network of 175 stores in the 69 provinces of Turkey, the company increased the number of “SEÇ Markets” in the business partner goods supply system from 539 to 801. Professional Sales Force PROSAF, through which the company offers sales and logistics services to its customers, was positioned in 65 provinces and became the solution partner for non-domestic consumption and corporate points of sale. Focusing on developing its digital sales channel as well, Bizim Toptan turned its e-commerce site into a digital platform that offers customizable sales services to both corporate and individual customers. With a multi-channel sale system supported by powerful CRM applications, it increased the number of active customers by 31.3% compared to the previous year and offered services to about 1.92 million customers.

2020

With the pandemic conditions of 2020, Bizim Toptan considered protecting the health of its customers and employees as top priority and continued its uninterrupted service under any circumstances. It took steps to digitalize in order to improve its multi-channel business model and to follow trends in advance. For this purpose, it initiated a transformation on the Enterprise Resource Planning (ERP) model, completed its infrastructure work on the digital trading platform, and implemented the Click & Collect digital sales business model in a short time in all its stores in Turkey. In addition to the sales network of 173 stores in 70 provinces of Turkey, the company increased the number of “SEÇ Markets” in the business partner goods supply system from 801 to 1,209. At the same time, it founded Seç Marketçilik A.Ş., where it owns 90% of the shares representing the capital for establishing a more effective and focused structure to ensure that the SEÇ Market business line is developed and managed more swiftly. Professional Sales Force PROSAF, through which Bizim Toptan offers sales and logistics services to its customers, expanded its access to 102 stores in 70 provinces of Turkey and strengthened its position as the solution partner for non-domestic consumption and corporate points of sale. With a multi-channel sale system supported by powerful CRM applications, it increased its number of active customers by 15% compared to the previous year and reached 2.2 million customers. Bizim Toptan will continue to offer its branded and high-quality private label products with price advantage and ease of payment as the best choice for all customer groups in 2021 and it aims to further improve its strong position and maintain its leading role in the sector with its growth in alternative channels and digitalization.

Capital and Partnership Structure

Bizim Toptan, the largest Cash & Carry company in Turkey in terms of the number of stores and geographical presence with its strong partnership structure, went public in 2011.

Bizim Toptan's stocks have been traded on Istanbul Stock Exchange since February 3, 2011. The shareholding status* of Bizim Toptan as of the end of 2020 is shown on the table below.

Partner's Title	December 31, 2020 Shares Amount	Percentage (%)
Yıldız Holding A.Ş.	33,111,291	55.19
Public	26,888,709	44.81
	60,000,000	100%

(*) Data from the Central Securities Depository dated 12/31/2020.

Uninterrupted service with 173 stores in 70 provinces...

Main Operational Indicators

Bizim Toptan is the number one, most innovative Cash&Carry company and multi-channel trading platform in Turkey in terms of its number of stores and geographical coverage.

Approximately
2 million 200 thousand*
active customers

On average
3,500
varieties of products per store

Various product stores with an average size of
1,000 m²**

* It is the number of customers who shop at least once a year. Each customer is counted only once.

** net sales area

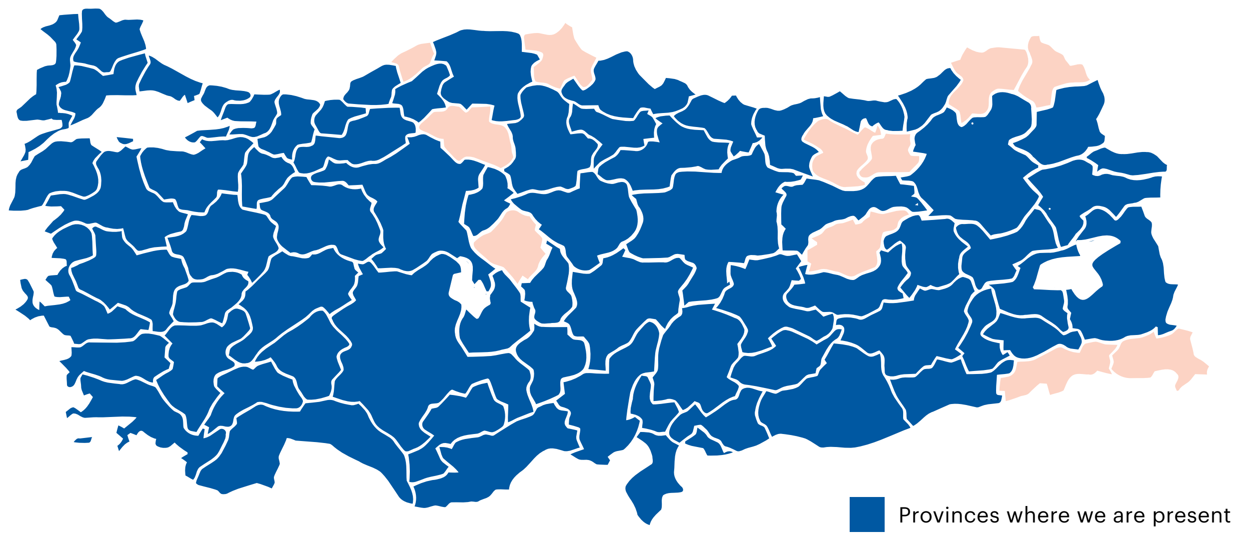
In 2021

5.4 billion TL
Sales volume

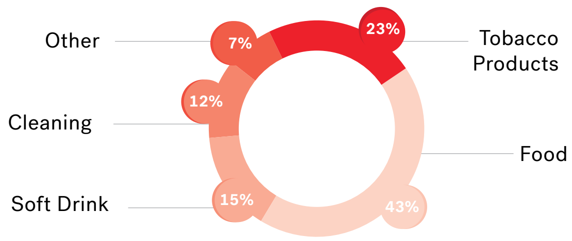
2,451
Employees

6,100
Average daily customers

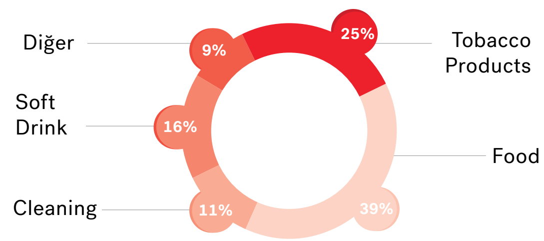
BİZİM TOPTAN STORES



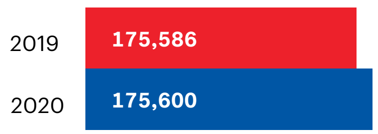
Sales Distribution by Category* (2020)



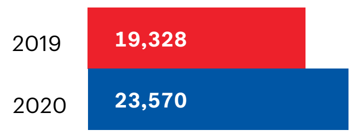
Sales Distribution by Category (2019)



Total Net Sales Area (m²)



Sales per Square Meter (m²)*



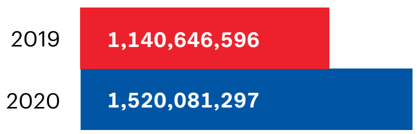
* The chart refers to the percentages of the categories within net sales.

* Sales per square meter refers to main category sales.

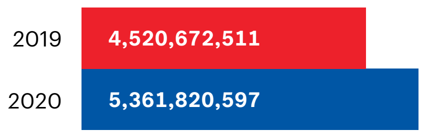
Main Financial Indicators

Having developed its multi-channel sales model by combining its customer-oriented channel-based sales strategy with modern business techniques, pioneering sales models and advanced CRM applications, Bizim Toptan strengthened its position in the market as a new and strong Bizim Toptan with successful financial and operational results in 2020.

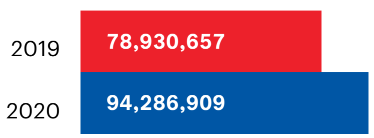
Total Assets (TL)



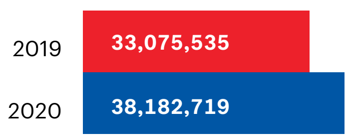
Net Sales (TL)



Operating Profit (TL)



Net Profit for the Year (TL)



Condensed Balance Sheet (TL)	12/31/2020	12/31/2019
Current Asset	1,053,216,758	767,898,691
Fixed Assets	466,864,539	372,747,905
Total Assets	**1,520,081,297**	**1,140,646,596**
Current Liabilities	1,198,545,780	860,710,332
Non-Current Liabilities	168,842,754	138,660,706
Shareholders' Equity	152,692,763	141,275,558
Total Liabilities	**1,520,081,297**	**1,140,646,596**

Condensed Income Statement (TL)	12/31/2020	12/31/2019
Net Sales	5,361,820,597	4,520,672,511
Gross Profit	581,639,994	515,459,647
Operating Profit	94,286,909	78,930,657
Net Profit for the Year	**38,182,719**	**33,075,535**

Financial Ratios	12/31/2020	12/31/2019
Current Ratio	0.88	0.89
Current Liabilities/Total Assets	0.79	0.75
Equity/Total Assets	0.10	0.12
Gross Profit Margin (%)	10.8	11.4
EBITDA Profit Margin (%)	4.7	5.7
Net Profit Margin (%)	0.7	0.7
Net Profit Per Share (TL)	**0.650**	**0.562**

The distribution of sales of Bizim Toptan as of the years 2011-2020 is shown on the table below.

(Thousand TL)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Main Categories (1)	1,271,770	1,469,930	1,697,308	1,742,849	1,877,791	2,017,353	2,037,870	2,729,711	3,393,795	4,138,941
Other Categories	461,202	503,924	549,534	536,548	685,985	775,806	858,498	995,633	1,126,877	1,222,880
Total	**1,732,972**	**1,973,854**	**2,246,842**	**2,279,397**	**2,563,777**	**2,793,160**	**2,896,368**	**3,725,344**	**4,520,673**	**5,361,821**

(1) It refers to sales except cigarettes.

As every member of Bizim Toptan family, we work hard to offer better services to all our customers and stakeholders.

Health is our **top priority!**

We got our employees' back as we took all necessary measures for the *safety of all our employees* and implemented these measures diligently.

We are a strong family of

2,451

people

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!

Stands by Employees!

From the Management

Message from the CEO

Dear Stakeholders,

We spent 2020 in a struggle all over the world. Humanity's main priority has been to protect one’s own health and the health of loved ones. As Bizim Toptan, however, our priority has first been to protect the health of our valued customers and employees from day one, and then to offer uninterrupted service to people at the best prices by maintaining the necessary diligence in our processes. With the support of the steps we have taken since 2017, the operations we have implemented and our transformation, we were ready when we entered the extraordinary pandemic process.

The pandemic has brought about an inevitable change in the fields of social life, business processes, commerce, technology and consumption. While we continued our corporate resource planning (ERP) transformation process that we started before the pandemic without slowing down, we accelerated our other digital transformation processes by quickly adapting to the changes brought about by the pandemic. During this period, we renewed our e-commerce site. We have once again demonstrated the speed of our digital transformation and adaptation capability by going live on our Click & Collect sales channel throughout Turkey, which was in the testing phase before the pandemic, for all our stores. Now as our customers reach a wide range of products online, they can save time and experience our new shopping channels.

PROSAF, our sales channel, which is the strength of our professional sales, continued to stand by our commercial customers in the non-domestic consumption channel as they went through challenging times in 2020. Our PROSAF operation in the target customer group, where we have enterprise customers such as canteens, hotels, restaurants, fast-food locations, cafes and pastry shops, catering companies and kitchens of businesses, who significantly felt the impact of the pandemic, expanded its operation of 90 stores in 65 provinces and realized 102 stores in 70 provinces despite these challenging times. We got ourselves deeper into customer groups that are less affected by the pandemic in the markets PROSAF is in charge of. Throughout the year, we also implemented the tele-selling application in order to improve the customer experience and we continued to differentiate our PROSAF channel from its competitors.

SEÇ Market, our business partnership model, which is a first in Turkey, continued to grow day by day throughout Turkey and to increase its number of stores in 2020. With this growth, it reinforced its share in our sales revenues. In August, we turned our SEÇ Market channel into a company under the name Seç Marketçilik A.Ş. and took steps to achieve different and bigger goals with this channel. Starting 2020 with 801 stores, our SEÇ Market channel realized 1,209 stores by the end of the year, overachieving its goals. We are having more and more faith in the growth of our SEÇ Market channel, which “stands by merchants” and contributes to the country’s economy as well as to the traditional retail channel as an innovative pioneer. We plan for our SEÇ Market channel, whose share in our sales increased from 10% to 15%, to grow much faster in 2021 with the "win-win" business model that supports the existence and development of the traditional channel.

While maintaining the development of our sales channels throughout the year, we continued to benefit from the power of our CRM infrastructure and reach our customers with the right channels in line with their needs. Thus, as Bizim Toptan, we broke our own record in the number of customers. With the belief of our customers in us, our quality, reliable price and service policy, we completed the year 2020 with two million two hundred thousand customers, an increase of 14.8% compared to the previous year, and our turnover increased by 18.6% to 5.4 billion TL. As we emphasized last year, our sales revenue growth, excluding cigarettes and sugar, was 24.4%, overachieving the goals we set at the beginning of the year. With the improvements we made in our customer mix and sales mix, we successfully maintained our goal of sustainable profitable growth.

OUR *"STANDING BY TRADE"* APPROACH SYMBOLIZES OUR MOTIVATION TO MOVE FORWARD IN A SUPPORTIVE AND POWERFUL MANNER IN OUR TRADE WITH SUPPLIERS AND BUSINESS PARTNERS AND IN THE SERVICES, WE OFFER TO MEET THE NEEDS OF OUR CUSTOMERS, TOGETHER WITH ALL STAKEHOLDERS.

The share of non-domestic consumption (HORECA, corporate customers), retail and SEÇ Market channels in our total sales increased to 49.5% despite the impact of the pandemic. This development enables us to achieve profitable and sustainable growth as Bizim

Toptan. As a matter of fact, while our gross profit margin has been 10.9%, the improvement in gross profit margin, excluding the IAS 15 effect, indicates an increase of 50 basis points in real terms. By the end of the year, our EBITDA margin was 4.7% and our net profit margin was 0.7%. Our net profit increased by 15.4% compared to the previous year and increased from TL 33 million to TL 38.2 million even in a year of strong digital transformation and investments. The year 2020, which we completed with much more success than we aimed for, proves the strong operational and financial growth of Bizim Toptan.

Dear stakeholders;

As every member of Bizim Toptan family, we work hard to offer better services to all our customers and stakeholders. During these works, we also consider our world and future generations. Our philosophy is "This World is Ours!" Accordingly, we have also taken several actions involving project, implementation and performance growth in supply chain, effective energy use, digitalization, product safety, employee satisfaction, brand and reputation management. As a result of all these steps we took, we also entered the Sustainability Index of Borsa Istanbul in 2020. Moving forward, we will continue to develop our works in the field of sustainability at the same speed.

2020 showed us that health, sharing, and being together and close to each other are invaluable. Although global dynamics, consumer preferences and habits change, we know that we, as Bizim Toptan, are close to all our stakeholders and we are there for them, regardless of distances! We stand by our customers, employees, business partners, stakeholders and all our suppliers. Because we "Stand by Life" as Bizim Toptan.

I would like to thank to all my valuable colleagues, who drive this approach and our uninterrupted service to our customers, and wish you, our valuable stakeholders, healthy days as we aspire to work for a much stronger, digital and successful Bizim Toptan in 2021.

Hüseyin Balcı
Chief Executive Officer

Board of Directors

Name, Last Name	Position	Date of Appointment	Term of Duty
Cengiz Solakoğlu	Chairman of Board of Directors	July 13, 2020	3 years
Mehmet Tütüncü	Deputy Chairman of Board of Directors	July 13, 2020	3 years
Ali Ülker	Member of Board of Directors	July 13, 2020	3 years
Erman Kalkandelen	Member of Board of Directors	July 13, 2020	3 years
Fatma Füsun Akkal Bozok	Independent Member of Board of Directors	July 13, 2020	3 years
Ahmet Bal	Independent Member of Board of Directors	July 13, 2020	3 years
Ömer Faruk Sevgili	Independent Member of Board of Directors	July 13, 2020	3 years

** Bendevi Palandöken, who was elected as a member of the Board of Directors on July 13, 2020, resigned and the public was informed with the statement on the Public Disclosure Platform on February 19, 2021.*

CENGİZ SOLAKOĞLU

Chairman of Board of Directors

Cengiz Solakoğlu graduated from Istanbul Academy of Economic and Commercial Sciences in 1964. He began to work as a salesman at Beko Ticaret A.Ş. in 1967 and became the General Manager of the Company in 1977. He held this position until 1983, when he became the General Manager of Atılım Company, which also belonged to Koç Group. During this 8-year office, he led the works on "Restructuring and strengthening Arçelik Authorized Dealer System”. He was appointed Vice President of Koç Holding Consumption Group in 1991 and President of Consumption Group in 1994. Solakoğlu, who also served as a Member of the Group Executive Board between 1996 and 1998, was appointed as the Chairman of Koç Holding Consumer Durables Group in 2002 and retired from Koç Group in 2004 due to 60 years of age principle. He had worked in Koç Group for 38 years without interruption. In addition to Bizim Toptan, Solakoğlu is a member of the Board of Directors and serves as Chairman of the Board of Directors in Şok Marketler A.Ş., one of Yıldız Holding's retail sector companies. Cengiz Solakoğlu is one of the founders of 1907 Fenerbahçeliler Association and Education Volunteers Foundation and was chosen the Leader of Civil Society by Economist journal in 2003.

MEHMET TÜTÜNCÜ

Deputy Chairman of Board of Directors

Born in 1958, he received his master’s degree in Industrial and Organizational Psychology and completed his bachelor’s degree in Mechanical Engineering. He has attended several training courses in many different areas throughout his professional career. In 1987, he took a training course in Business Management for 6 months in Italy on an IRI Scholarship. He has attended a training course in Strategic Marketing at Harvard Business School and IMD Switzerland. Also, he completed the Insead program in Singapore. Between 1983 and 1987 he worked at the Ministry of Industry and Trade, and from 1987 to 1996, he held various positions in Best Rothmans Entegre Sigara ve Tütün Sanayi A.Ş, such as General Manager. In 1996, Mehmet Tütüncü joined Ülker Gıda A.Ş. and served as a business coordinator until 1998. Following, he worked as General Manager and Vice President of the Ülker Group. In May 2005, he was appointed as Yıldız Holding A.Ş.’s Food Group President. In 2011 he was appointed as the Food-Ülker Group President and in 2014, he had additional responsibility as International Food-Ülker Group President. In 2016, he was appointed as pladis Region CEO, Turkey, Middle East, North Africa and Central Asia. He continues to serve as Deputy to the pladis CEO (responsible for TR, ME, NA, CA, SA, LATAM) and Executive Corporate Officer (Information Systems & Business Transformation) with additional responsibilities he took in 2017. In 2018, he was appointed as Vice Chairman and CEO of Yıldız Holding. Additionally, he serves as a Board Member and Chairman of the Board at several companies. He is also the Board Member of FoodDrinkEurope & President of the Liaison Committee of FoodDrinkEurope.

ALİ ÜLKER

Member of Board of Directors

Ali Ülker was born in 1969 and educated in the Business Administration Department of the Faculty of Economics and Administrative Sciences at Boğaziçi University, Istanbul. He has also attended various programs at IMD and Harvard. He worked in the Internal Kaizen Projects at De Boccard & Yorke Consultancy (1992) and on IESC Sales System Development and Internal Organization Projects (1997). Mr Ülker joined the group in 1985 as an intern in the Quality Control Department of Ülker Gıda. From 1986 to 1998 he worked at chocolate production facilities and at Atlas Gıda Pazarlama in positions including Sales Manager, Sales Coordinator, Product Group Coordinator, and Product Group Director. In 1998 Mr Ülker became General Director of Atlas Gıda Pazarlama, and in 2001 became the General Director of Merkez Gıda Pazarlama. In 2002, he rose to Vice Chairman of the Food Group and in 2005 Chairman of the Group. After worked as Vice Chairman of the Yıldız Holding Board of Directors for nine years, as of January 29, 2020 Ali Ülker became the Chairman of Yıldız Holding. Ali Ülker is married with three children. He enjoys fishing, cinema and literature, as well as playing basketball and billiards.

ERMAN KALKANDELEN

Member of Board of Directors

Having served as a Member of Board of Directors in Bizim Toptan Stores since 2017, Mr. Kalkandelen works as CEO and Chairman of Board of Directors of Franklin Templeton Danışmanlık A.Ş. Having worked on Developing Markets, Small Companies and Turkish Equity products at Franklin Templeton since 2006, Mr. Kalkandelen serves as member of Board of Directors in Defacto Perakende Ticaret A.Ş., ŞOK Markets and Gözde Girişim. Erman Kalkandelen graduated with honors from Sabancı University Business Administration Master's Degree (MBA) Program. In addition, during his MBA training, he went through a period of specialization on strategic management at the University of Florida Warrington School of Business Administration and graduated with a high honor degree from Ankara University Faculty of Political Sciences, Department of Labor Economics. Erman Kalkandelen speaks English.

Bizim Toptan 2020 Annual Report

FATMA FÜSUN AKKAL BOZOK

Independent Member of Board of Directors

Fatma Füsun Akkal Bozok completed her academic education with a master's degree from Boğaziçi University, Faculty of Administrative Sciences and a doctorate degree from Istanbul University, Faculty of Business Administration. After graduation, she started working at Arthur Andersen Audit Company in 1980. She joined Koç Group in 1983 and worked as Audit Expert and Assistant Coordinator in Audit and Financial Group department within the organization of the Holding. She was appointed as Audit and Financial Group Coordinator in 1992 and held office for 11 years. Having worked as Director of Financing Group between 2003-2006, Akkal served as a Member of Board of Directors of Yapı Kredi Bank between 2004-2019. She is currently an independent member of board of directors of Ford-Otosan, Tat Gıda, Akiş GYO, İzocam and Gözde companies. Akkal taught Auditing and International Accounting courses as lecturer at Sabancı University in 2008-2020, and is member to TKYD, TİDE, Expert Accountants' Association of Turkey and Boğaziçi Alumni Association.

AHMET BAL

Independent Member of Board of Directors

Born in Tokat in 1957, Ahmet Bal graduated from Ankara University Faculty of Political Sciences, Department of Economics and Finance and joined the Board of Accounting Experts of the Ministry of Finance. Ahmet Bal received the title of Chief Accounting Expert and Certified Public Accountant in 1991, did his master's degree (MBA) in Business Administration at Nottingham University in England in 1992 and began to work as Assistant Financial Affairs Coordinator at Anadolu Endüstri Holding in 1994. He worked as Finance Director of Efes Sınai Yatırım Ticaret A.Ş. in charge of Anadolu Group Overseas Coca-Cola operations between 1995 and 1998, General Manager of Efes Sınai Yatırım Holding A.Ş. between 1998 and 1999, and as Financial Affairs Coordinator in charge of Automotive, Finance and Stationery Companies at Anadolu Endüstri Holding Department of Financial Affairs between 1999 and 2006. Between 2006 and 2012, he served as Audit Coordinator in charge of Group Companies at Anadolu Endüstri Holding. Ahmet Bal served as Head of Audit Responsible for the Audit of Anadolu Group Companies between 2013 and 2018 and is married and has two children. Apart from Bizim Toptan, Ahmet Bal serves as an Independent Member of Board of Directors of Şok Marketler A.Ş. and Ülker Bisküvi Sanayi A.Ş.

ÖMER FARUK SEVGİLİ

Independent Member of Board of Directors

Ömer Faruk Sevgili was born in Siirt in 1968, received his high school education in Siirt High School, and he graduated from Istanbul University, Faculty of Law. (1991) He began to work as a freelance lawyer under the Istanbul Bar Association. (1994) Subsequently, after working as Bakırköy Municipality Legal Advisor, İzmir Çiğli Air Base Disciplinary Officer, and as a lawyer and legal advisor at Turkey Ship Industry Joint Stock Company respectively, he continues to work as a freelance lawyer under Ankara Bar Association. He assumed roles such as KÖY-TEKS Holding Board Membership, TÜPRAŞ Supervisory Board Membership, Bicycle Federation Disciplinary Board membership, TÜKÇEV board of trustees and board of directors membership. He began his profession as a lawyer in 1994 and he currently continues that profession under Mizan Hukuk ve Danışmanlık. He is married and has two children. He speaks Arabic.

Senior Management

Hüseyin Balcı
Chief Executive Officer

Hüseyin Balcı completed his undergraduate education in Anadolu University, Finance Department, and began his career as a Chain Store Sales Representative at Atlas Gıda Pazarlama A.Ş., one of Yıldız Holding A.Ş. companies in 1997. After that, he worked as Sales Operations Manager and Sales Manager at Rekor Gıda A.Ş, as Sales Operations and Planning Group Manager, Deputy General Manager, General Manager at Merkez Gıda A.Ş., General Manager at Atlas Gıda A.Ş and General Manager of Trade at Ülker Bisküvi A.Ş. respectively. He worked as Deputy General Manager of Sales at Avea İletişim Hizmetleri A.Ş., one of Türk Telekom Group Companies in early 2013 and finally worked as Deputy General Manager in Charge of Individual Sales of Türk Telekom Group. Huseyin Balcı joined Bizim Toptan as General Manager at the beginning of 2017, realized the company's transformation process and updated and strengthened its multi-channel sales model in line with the dynamics of the digital age and the sector.

Altan Sekmen
Seç Marketçilik A.Ş.
General Manager

Born in Germany, Altan Sekmen returned to Turkey after secondary school and he began to study at Boğaziçi University in the department of physics, although he graduated from the department of tourism and hotel management. He started his professional career at Hillside Beach Club affiliated to Alarko Holding in 1995 and worked as Operations Director in charge of Store, Supply Chain and Logistics Operations at DiaSA Supermarkets between 1998 and 2008. Afterwards, Sekmen worked at HAVI Logistics as the General Manager of Turkey and Hungary, and then he joined Yıldız Holding as the General Manager of Teközel Gıda in 2014. Then he worked as General Manager at g2m Dağıtım Pazarlama ve Tic. A.Ş. and subsequently at Holding Board of Directors Office of the Chairman, and he has been working as General Manager of SEÇ Marketçilik A.Ş. since August 2020. Mr. Sekmen enjoys many branches of sports and especially runs long distance in athletics. He is married and has a child.

Recep Çalışkan
Deputy General Manager in Charge of Sales Operations

Recep Çalışkan completed his Associate's Degree in Boğaziçi University Business Administration, Bachelor's Degree in Anadolu University Faculty of Economics and Master's Degree in Marmara University International Economics Department. He started his career as a Purchasing Specialist at İsmar Mağazacılık A.Ş. in the retail sector in 1994. After that, he worked as Purchasing Category Manager at Planet Yapı Market A.Ş., Purchasing Category Manager at Buggy Alışveriş Hizmetleri A.Ş. and Purchasing Manager at Maxi Alışveriş Hizmetleri A.Ş. respectively. He began to work at Bizim Toptan A.Ş. as Purchasing Manager in 2001 and went as far as becoming Trade Director by the end of 2013, when he became General Manager in UCZ Mağazacılık Ticaret A.Ş. He came back to Bizim Toptan at the beginning of 2018, where he is currently working as Deputy General Manager in Charge of Sales and Operations.

Tarık Duvan
Seç Marketçilik A.Ş.
Deputy General Manager

Tarık Duvan completed his bachelor's degree in Anadolu University, department of Business Administration and his master's degree in Bahçeşehir University, MBA department. He began his career as Sales inspector at Ülker/ Merkez Gıda Paz. San. ve Tic. A.Ş. in 2001. After that, he worked as Sales Chief, Regional Sales Manager and Sales Group manager of Turkey at Yıldız Holding A.Ş. respectively. Tarık DUVAN began to work as Sales Director at Avea İletişim Hizmetleri A.Ş., one of the Türk Telekom Group companies in early 2013 and then worked as Sales Director at Türk Telekom A.Ş. Duvan joined Bizim Toptan team as sales director in 2017 and played an active role in the development and incorporation of Seç channel as director in charge of Special Sale Channels. Tarık Duvan has been working as Deputy General Manager of Seç Marketçilik A.Ş. since August 2020.

Serhat Altınkılıç
Director of Commerce

Serhat Altınkılıç completed his bachelor's degree at İnönü University Department of Mining Engineering and his master's degree at Istanbul Şehir University MBA department. He started his career as Sales Manager at Ülker Merkez Gıda in 2008. He served as Commercial Marketing Director and Commercial Marketing Manager at Yıldız Holding respectively. In 2013, he worked as Regional Sales Manager at Avea and as Commercial Marketing Group Manager at Türk Telekom. Altınkılıç joined Bizim Toptan in 2017. Before he was appointed Director of Commerce in 2021, he was working as Senior Sales Manager of Seç Markets at Bizim Toptan.

Hamide Güven Şen
Human Resources Director

Hamide Güven Şen completed her bachelor's degree in Kocaeli University department of Labor Economics and Industrial Relations and her master's degree in Bahçeşehir University MBA department. She started her career as a Human Resources Director at General Kimya Ltd. in 2003. She then worked as Human Resources Director at Yıldız Holding A.Ş. and Human Resources Director at Medyasoft A.Ş. respectively. She worked as Human Resources Manager at Avea İletişim Hizmetleri A.Ş., one of Türk Telekom Group Companies in early 2011 and finally worked as Human Resources Group Manager at Türk Telekom A.Ş. Hamide Güven Şen managed the projects that received "gold" award in the "Best Mobile Site and Application in Education" category and that were chosen from among 9 international companies and received "Bronze" award in the "Best Education Applications of the Year" category with the distance education platform Oncampus application at the 2019 Stevie Awards, and currently works as the human resources director in charge of Bizim Toptan and Seç Marketçilik.

M. Murat Yanık
Supply Chain and Channel Development Director

Murat Yanık completed his bachelor's degree in Anadolu University, department of International Relations and his master's degree in Istanbul University, department of Supply Chain Management. He started his career as a Sales Development Officer at Bizim Toptan Stores in 2002. He then worked as Store Director, Regional Director and Regional Manager in the stores of the company in various provinces. After that, he worked as Sales Operations Manager in the general directorate. Murat Yanık continued to work as Supply Chain Senior Manager from the beginning of 2018, andbeginning of 2018 and was last appointed Supply Chain and Channel Development Director in August 2020. In addition to his Supply Chain tasks, he also conducts investment, construction, environment and OHS processes with his teammates.

Önder Arıkan
Chief Financial Officer

Önder Arıkan completed his bachelor's degree in Boğaziçi University, department of Business Administration and his master's degree in Bahçeşehir University, MBA department. He started his career as a budget reporting expert at Metro Cash and Carry company in 2006. After that, he worked in the finance departments of Joker Bebek, which is an Actera Group company and Markafoni, a Naspers Group company. Arıkan joined Bizim Toptan in 2017. Before he was appointed Director of Financial Affairs in 2019, he was working as Senior Manager of Budget Reporting and Profit Planning at Bizim Toptan.

Raşit Çebi
Marketing and Customer Relations Director

Raşit Çebi completed his bachelor's degree in Boğaziçi University, department of Economy and began his career as Deputy Product Director at Yıldız Holding in 2006. After working as Brand Director and Brand Manager for Hero Baby, Kekstra and Dankek brands at Yıldız Holding A.Ş., he worked as agency president & general manager at 9.Sanad for 4 years focusing on creative strategies, digital projects and PR starting from 2013. Having joined Bizim Toptan in 2017, Çebi leads the marketing and CRM operations.

Selman Karadağ
Information Technologies Director

Director of Information Technologies at Bizim Toptan Satış Mağazaları A.Ş., Selman Karadağ graduated from Marmara University, department of Industrial Engineering in 2002. She began her career as a Project Manager Assistant in the Business Development Department of Yıldız Holding, whereupon she worked as the Project Manager, Sales Force Automation Manager and Information Technologies Group Manager respectively. Prior to joining Bizim Toptan, she worked as Information Technologies Group Manager in charge of IT processes in pladis Turkey, Middle East and North Africa regions, Global Sales Automation Solutions and Retail Group IT Processes, and she joined Bizim Toptan in 2019.

Furkan Akıner
NDC & Corporate Sales Senior Manager

Furkan Akiner completed his bachelor's degree at Samsun 19 Mayıs University Department of Environmental Engineering and his master's degree at Sakarya University MBA department. He began his career as Sales Inspector at Ülker Atlas Gıda in 2008. He then worked in various provinces for the company. He served as Sales Director and Supply Chain Manager at Yıldız Holding respectively. In 2013, he worked as Commercial Activities Manager at Avea and as Regional Sales Manager, Sales Group Manager and Audit Group Manager at Türk Telekom. Akiner joined Bizim Toptan in 2017. He works as NDC & Corporate Sales Senior Manager in the structuring and end-to-end management of NDC and Corporate organization under the Prosaf brand.

Ahmet Alpir
Senior Project Manager

Ahmet Alpir completed his bachelor's degree in Yıldız Technical University, Department of Industrial Engineering and began his career as a Planning Engineer at the Lighthouse Association in 2006. He moved to Ceva Logistics in 2008, where he worked in Central Planning and Operational Excellence positions for 5 years. After that, he worked as Logistics Director at Şok Marketler T.A.Ş. and Logistics Manager at UCZ Mağazacılık Tic. A.Ş. respectively, whereupon he worked as Operational Excellence Manager in Yıldız Holding Retail Group before joining Bizim Toptan in 2018.

Işıl Bük
Senior Manager of Investor Relations

Işıl Bük, Senior Manager of Investor Relations at Bizim Toptan Satış Mağazaları A.Ş., completed her bachelor's degree in 2004, and her master's degree in 2007, at Marmara University Department of Economics (English). She began to work as an Internal Audit and Financial Reporting Specialist at IKEA. She worked in Corporate Financing and Research units at Halk Yatırım Menkul Değerler A.Ş. in 2007-2012, worked as an economist/strategist and took an active role in public offering projects. Starting to work as an Investor Relations Director at Yıldız Holding in 2012, Bük has been the head of Bizim Toptan investor relations department since the end of 2013. Işıl Bük has Capital Market Activities Level III License and Corporate Governance Rating Expertise license. She took part in the Boards of Directors of the CFA Society of Istanbul, Financial Literacy and Access Association (Foder) and the Investor Relations Association of Turkey (TÜYİD). She maintains her office in the Boards of Directors of Foder and TÜYİD.

Name, Last Name	Position	Term of Duty at the Company	Total Work Experience
Hüseyin Balcı	Chief Executive Officer	4 years	22 years
Altan Sekmen	Seç Marketçilik A.Ş. General Manager	6 months	26 years
Recep Çalışkan	Deputy General Manager in Charge of Sales Operations	17 years	25 years
Tarık Duvan	Seç Marketçilik A.Ş. Deputy General Manager	4 years	20 years
Serhat Altınkılıç	Director of Commerce	4 years	13 years
Hamide Güven Şen	Human Resources Director	4 years	18 years
Murat Yanık	Supply Chain and Channel Development Director	19 years	19 years
Önder Arıkan	Chief Financial Officer	4 years	15 years
Raşit Çebi	Marketing and Customer Relations Director	4 years	15 years
Selman Karadağ	Information Technologies Director	2 years	18 years
Furkan Akıner	NDC & Corporate Sales Senior Manager	4 years	13 years
Ahmet Alpir	Senior Project Manager	3 years	15 years
Işıl Bük	Senior Manager of Investor Relations	7 years	15 years

1,209
SEÇ Markets in
77
provinces

PROSAF operation of
102
stores in
70
provinces

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!
Stands by Commerce!

We delivered products all over Turkey with *one click.*

Renewed e-commerce infrastructure and 173 Bizim Toptan stores in 70 provinces

2020 Activities

Organized Wholesale Industry and Bizim Toptan

Bizim Toptan continues to be the best alternative for all customer groups with its 173 stores in 70 provinces, extensive and diversified multi-channel sale network, advantages for its customers and its accessibility.

The pandemic conditions affecting the world in 2020 have been decisive on all life and economic activities both globally and in Turkey. With the pandemic restrictions that began at the end of the first quarter of the year all over the world due to the pandemic conditions, certain service sectors had to take a mandatory break from their activities and their economic activities were affected.

The proliferation of remote work and the fact that mandatory measures reemerged from time to time also caused companies operating in the non-domestic consumption sector in particular to be unable to perform their activities in this period. Even though the relaxation of pandemic restrictions both in the country and worldwide in the third quarter of the year revived economic activities, the fluctuating case numbers which re-increased in the last quarter of the year brought the pandemic restrictions back to the agenda all over the world. In this process, the loss in the value of Turkish Lira compared to the previous year and the trend of increase in the prices of agricultural products especially in the second half of the year led to an increase in the general level of prices. Domestic Producer Prices (PPI) increased by 25.15% in 2020 while consumer prices (CPI) increased by 14.60%. In this process, the seasonally adjusted consumer confidence index was 80.1.

The effects of the pandemic conditions also differed depending on the sectors. The wholesale and retail market for Fast Moving Consumer Goods (FMCG) continued to grow. Especially during the period when the pandemic restrictions were intense, the sudden increases in the demands of consumers and the differentiations caused by the pandemic in the shopping habits of consumers during the year brought about a rapid transformation of the sector. Turkey's robust economic outlook and rising urbanization rate with the increasing young population, as well as the consumption and shopping habits that changed in this context brought about a growth potential for the FMCG wholesale market, which transformed and continued with the impact of the pandemic. Despite the non-organized wholesalers and distributors estimated to be comprising most of the wholesale market, the development of the organized wholesale market including Bizim Toptan gained more importance in this period.

Apart from Bizim Toptan, the number of cash&carry wholesalers on a national scale is four, while many grocery stores operating regionally and known as single cash&carry companies (gross markets) are also considered to be within the organized cash&carry market.

Despite the scattered structure and competitive conditions in the market where it operates, Bizim Toptan has maintained its position as the most extensive cash&carry company and trading platform on a geographical basis in Turkey since 2007.

Considering the developments in retail and wholesale industries over the years as well as the growth dynamics in supplier and demand conditions, Bizim Toptan continues to transform its wholesale concept and effectively meet the demands of suppliers to reach a wider store network and a broader customer base. It also analyzes market dynamics and positions its wholesale stores in a way that can serve the multi-channel sales strategy on the way to sustainable growth, diversifies its sales channels and turns into a trading platform to respond to the demands of all customer groups. While ensuring the rapid development of the business partnership dealership model formed in the market channel supply process as a pioneer in B2B in Turkey, it continues to enrich its business models.

The Company offers services to certain customer channels through PROSAF, its Professional Sales Force commissioned in the strategic transformation process. Applying this service also to the “tele-sales" model in 2020, it became a solution partner of the non-domestic consumption (NDC) sector with PROSAF. Being quick to take into account the shopping habits changed by the pandemic conditions, Bizim Toptan is improving its digital sales platform and keeping up with the digitalization in the market, while maintaining its leading position in the industry with its Click & Collect service, which it extended to its stores across Turkey.

Having aimed to “stand by trade” in all customer groups with a multi-channel sales system as the new "Bizim Toptan” in 2019, the company backed not just “trade” but also “life”, its “customers” and its “employees” with the pandemic conditions of 2020 and maintained its price advantage, broad product range, availability and “uninterrupted service" approach.

Adding value to the industry with its innovative practices, Bizim Toptan is configured at “the closest point to its customer” and in smaller stores and is a one-stop solution for all the needs. Based on the principles of flexibility and scalability in its activities, Bizim Toptan is a pioneer of many innovations and best practices in the sector.

BİZİM TOPTAN BACKED NOT JUST *“TRADE”* BUT ALSO *“LIFE”*, ITS *“CUSTOMERS”* AND ITS *“EMPLOYEES”* WITH THE PANDEMIC CONDITIONS OF 2020 AND MAINTAINED ITS PRICE ADVANTAGE, BROAD PRODUCT RANGE, AVAILABILITY AND *“UNINTERRUPTED SERVICE”* APPROACH.

2020 Activities

Despite the effect of the pandemic on the non-domestic consumption sector and canteens, Bizim Toptan broke its own record in the number of active customers in 2020 compared to 2019 and had 2 million 200 thousand customers with an increase of 14.8%.

Having closed 2019 as a brand new Bizim Toptan with a focus on multi-channel sales strategy, wide customer network and strong Customer Relations Management (CRM), the company continued its activities as a new Bizim Toptan, which is a pioneer in its sector and in line with its goals despite the pandemic conditions in 2020.

Bizim Toptan, whose priority has been “health” and "sustainable, uninterrupted service” starting with the pandemic, puts the health of its customers and employees first. In addition, it always worked hard to provide uninterrupted service with all of its employees to every customer, including times when the pandemic restrictions were intense. In this challenging environment, it continued all its projects on digitalization, change in enterprise resource planning (ERP) and development of multi-channel sales routes, which it aimed for 2020, without slowing down. During the year, at the end of the ERP transformation process, works were carried out for transition to SAP, the infrastructure of the e-commerce site, which is the digital sales channel, was renewed and the Click & Collect application, which was only being tested in Istanbul by the end of 2019, was made available in stores across Turkey.

The business partnership goods supply model SEÇ system, which has seen an increase every year since 2017 in terms of both the number of stores and sales revenue, has continued to grow as Turkey's first B2B dealer platform that supports traditional channel players in addition to Bizim Toptan’s alternative sales methods that enrich the company’s retailing activities and customer experience. The number of dealers in the system, which was 801 by the end of 2019, increased to 1,209 by the end of 2020. Having become an important supplier of the grocery channel with its “win-win" approach, Bizim Toptan increased its geographical presence in this area and realized its SEÇ Market network in 77 provinces of Turkey. It also founded Seç Marketçilik A.Ş. in August 19, 2020, where it owns 90 percent of the capital, to ensure the SEÇ Market business model, which supports both the country's economy and the entrepreneurs in the sector and grows with its business partners day by day, is developed and managed swiftly.

Bizim Toptan continued to develop its Professional Sales Force PROSAF despite the pandemic conditions, which was created to reach non-domestic consumption (NDC) and corporate sale points and which offers delivery service. Despite the negative impact of the pandemic restrictions especially on NDC customers and canteen customers, PROSAF increased its geographical coverage by 5 provinces and has become serving in 102 stores in 70 provinces. At the same time, in the last month of 2020, it began to offer phone support through Tele-Sale to its customers in addition to in-person service, with which it separated itself from its competitors and maintained its leading position in its market.

Bizim Toptan opened 3 new stores, relocated 2 stores and closed 4 stores this year. It also extended its geographical presence to another city. Thus, it reached 173 stores in 70 provinces in Turkey by the end of 2020 and achieved significant success by realizing its growth performance with its existing stores, where it increases their efficiency day by day, and its sale channels that it diversifies as a pioneer in its sector. In addition to the advantages offered by Bizim Toptan to its customers with its CRM applications, the reinforcement and diversification of alternative sale channels that improve the performance of stores and enrich the customer experience day by day have also been influential in this success.

In addition to its sale channels, the company continues to diversify its product portfolio as well. In line with its policy of "the best price” and “the best quality service”, it also developed its private label products and increased its number of SKUs from 278 to 318. Thanks to the favor shown by the customers for the development in the portfolio of private-label products that offer quality at an affordable price, the share of these products in sales excluding cigarettes increased from 19% in the previous year to 23%.

Thus, despite the effect of the pandemic on the non-domestic consumption sector and canteens, Bizim Toptan broke its own record in the number of active customers in 2020 compared to 2019 and had 2 million 200 thousand customers with an increase of 14.8%. Total sales revenues increased by 18.6% compared to the same period in the previous year and reached 5.4 billion TL. Diversifying both its customer channels and its means of sale in its sales strategy, the Company focused on the development of its sale composition in addition to its growth in sales revenue in 2020. Thus, sales excluding cigarettes (main category) increased by 22%, while sales growth excluding cigarettes and sugar reached 24.4%.

Bizim Toptan realized 10.8% gross profit margin throughout the year, while its EBITDA margin was 4.7%. Excluding IFRS 15 adjustment, it is observed that gross profit margin increased by 50 basis points and EBITDA margin increased by 20 basis points compared to 2019. The Company increased its net profit which amounted TL 33.1 million in 2019 by 15.4% in 2020, to TL 38.2 million.

While the Company maintains its principle of being the best alternative in the market for all customers by working for uninterrupted service to all customer groups under any conditions in 2021, it plans to start a new era in its SEÇ channel with SEÇ Marketçilik A.Ş., to increase its strength in non-domestic consumption, canteen and fuel station shops with PROSAF, to complete the ERP cycle and to achieve complete digital transformation.

Profitable Business Partnership SEÇ Market

SEÇ Market is a dealership model based on the win-win principle. The structure of the model is based on supporting sustainable trade (merchants) by creating profitable dealers that will increase profitability and provide a corporate identity.

SEÇ Market, which made becoming popular across Turkey one of its main goals, reached 1,209 stores in 77 provinces by the end of the year.

SEÇ Market's Historical Strategies

2017 Rapid Improvement

2018 Structuring

2019 Expansion

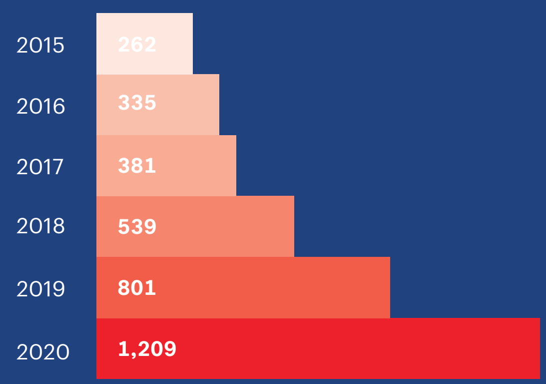
2020 Accelerated Growth

HISTORICAL DEVELOPMENT

Bizim Toptan purchased 196 business partnership goods supply contracts including fixed assets and all the rights arising from these contracts on July 16, 2014 to establish its business partnership model.

By September 2016, Bizim Toptan changed its brand and the name of 310 dealers was changed to SEÇ Market. While this strategic change was the first step in the SEÇ Market story, many more strategic steps immediately ensued, which brought SEÇ Market to its current position where it is renowned in the retail sector and has a strong operational process. Seç Marketçilik A.Ş. was established in August 2020 with a 90% Bizim Toptan and 10% Yıldız Holding partnership to move the SEÇ Market operation, which rapidly increased the number of its dealers in the market especially after 2017, to a stronger, faster and brand-new growth model.

Growth of the Number of SEÇ Markets over the Years



SEÇ MARKET IN 2020

2020 was a year in which SEÇ Market created success stories and took strategically important steps. With the increase in the number of stores and the growth in business partner turnover, the share of the system in the business volume of Bizim Toptan also increased. In addition to this accelerated growth, 2020 was a period in which the necessary preparations were made to become a star, focusing on the identification of the needs of SEÇ as a brand and brand positioning.

- SEÇ Market opened 583 new dealers (gross figure) and increased its total dealer network to 1,209 in 2020.
- SEÇ Market channel developed day by day and broke strong growth records and reached 15% share in total Bizim Toptan turnover by contributing 795 million TL to Bizim Toptan sale revenues in 2020.
- Beyond the development in the business outputs of the SEÇ Market channel, the social dimension of this structure has great value as well. With the business model it offers, SEÇ Market enables merchants to pursue sustainable trade and gain a competitive edge with its "win-win" philosophy in the retail market where competition is very high.

OPERATION

SEÇ Market business partnership goods supply system is based on offering goods and services at advantageous prices to the grocery stores within the scope of the system with the broad product portfolio and purchasing power of Bizim Toptan. With this structuring leading the field in Turkey, it aims to combine the buying power of Bizim Toptan with the forces of its grocery stores, which are its business partners, in the field. With this structure aiming to gather business partner dealers under a single roof, maintaining their entrepreneurial spirit, Bizim Toptan aims to be the biggest supplier of its business partners covered by the business partnership goods supply system and to increase their competitiveness through the advantages that it offers. This structure enables partner dealers to make purchase in an economy of scale and provides a structure that offers profitable purchase.

THE CONTRIBUTION OF THE SEÇ MARKET SYSTEM TO THE SALE REVENUES OF BİZİM TOPTAN HAS BEEN TL 795 MILLION. WITH ITS SIGNIFICANCE IN BİZİM TOPTAN SALE CHANNELS INCREASING DAY BY DAY, SEÇ MARKET AIMS TO MAINTAIN ITS HIGH GROWTH AND EXPANSION STRATEGY AT FULL SPEED IN 2021.

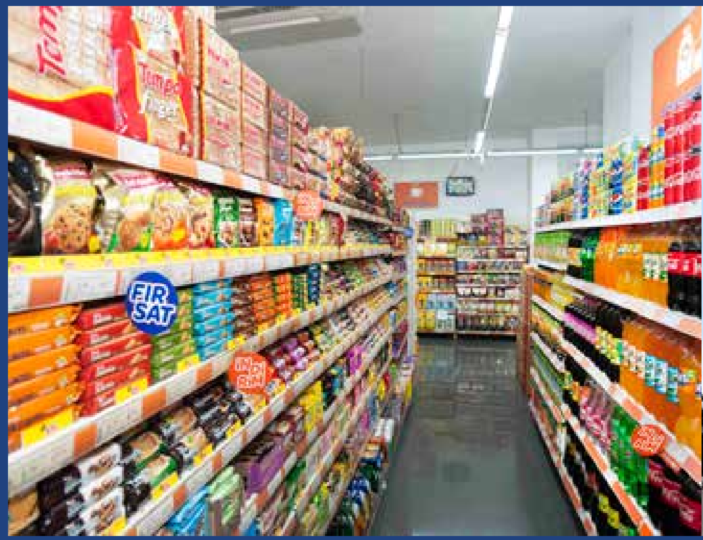
VISION AND GOALS

SEÇ Market stores are all composed of merchants who own their own workplace. The preservation of the merchant culture is one of the strong features that separate SEÇ Markets from its competitors. SEÇ Market has adopted the goal of creating a brand that makes a difference in the retailing system by combining this power with its vision. SEÇ Market vision has 4 main points of focus and strategically focused actions were identified in the light of this vision in 2021 and thereafter.

1. Corporate Identity & Standardization: The aim is to standardize SEÇ Market brand in certain areas and to make consumer experience similar in regions that are important for corporate identity,
2. Brand Positioning: SEÇ Market, which operates with the promise of combining the culture of merchants with modern retailing, positions itself as the "Market of Your Neighborhood". Bizim Toptan acts with thousands of merchants, families, employees and consumers in mind throughout Turkey and focuses on SEÇ Market brand value with the awareness that it has a vast ecosystem.
3. Digital Brand: It is known that business partner dealers who are enabled to do effective business management with infrastructure systems that are adapted to the age make great contribution to sustainable trade. For this reason, the process of improving the SEÇ Portal system started in 2020. With the implementation of these developments, services will be commissioned that will allow SEÇ Market dealers to manage the procurement process with a convenient operation model and monitor their financial structures more effectively with their systemic competencies. In addition, under the main vision of being a digital brand, infrastructure preparations such as focusing not only on busines partner dealers but also on end consumers and enabling ordering by phone and via WhatsApp Business in the home delivery model started in 2020.
4. Creating a Happy Customer: The goal to be achieved with all these strategic points of focus is to offer top-notch customer experience and satisfaction of SEÇ Market. The multi-channel service process to be provided, systems with digital infrastructure and developments that started in 2020 to create similar experiences across all stores continue to be implemented.

ADVANTAGES AND BENEFITS OFFERED BY SEÇ MARKET DEALERSHIP MODEL TO BUSINESS PARTNER DEALERS

Bizim Toptan offers its business partners covered by the business partnership goods supply system the name “SEÇ Market”, whose legal rights it owns exclusively.



SEÇ MARKET BUSINESS PARTNERSHIP DEALERSHIP MODEL DEALER PROFILE

The DNA of SEÇ Market model is to support merchants who are believed to benefit from being supported as a result of increasing competition in recent years. Based on this idea, Bizim Toptan does not charge any fees from its dealers for the SEÇ Market dealership model. In addition, it provides know-how transfer and support in the fields of merchandising, marketing, finance, technical infrastructure, procurement. In the SEÇ Business Partnership model, mainly dealers who are already in the grocery business and are converted to SEÇ Market or entrepreneurs and people who want to invest, who are at work and have industry experience are chosen.

In addition,

RELIABLE BUSINESS PARTNERSHIP MODEL

- **To operate as part of a large family under the umbrella of Bizim Toptan, Turkey's well-established company,**

BRAND POWER

- **Gaining brand reputation and corporate identity,**
- **In this way, gaining consumer confidence and favor,**
- **Winning new customers and increasing customer loyalty through marketing and communication supports,**

COMPETITIVE ADVANTAGE

- **Easy procurement: Winning right from the moment of procuring with the power of procuring from a single stop on a regular basis with advantages,**
- **Separating from the competitors in product range with private label products,**

PROFESSIONAL RETAILING

- **To provide increase in income with the right product, the right price and the right positioning,**
- **To grow the business together by sharing the knowledge and experience of Bizim Toptan in the retail sector with its dealers,**
- **To stand by dealers always with field sales teams from day one,**

FINANCE MANAGEMENT

- **To provide an infrastructure where dealers can easily manage stock,**
- **To ensure effective management of enterprises by calculating profitability on product and category basis,**
- **To alleviate the financing burden of enterprises with alternative payment methods,**

MODERN STORE DESIGN

- **To attract the attention of the end consumer with touches on the exterior view,**
- **To make their products more visible with in-store display principles,**
- **To improve the customer experience with the modern architectural design of the cash register area and to support the increase in the sale revenues of the dealers,**

DIGITAL INFRASTRUCTURE

- **To provide services that will meet the needs of the consumer with modern cash register systems,**
- **To provide an infrastructure for online ordering and tracking with Seç Portal,**
- **Works to build an order line to support the home delivery process.**

PROSAF (Professional Sales Force) The New Force of Sales

Moving on to become a solution partner with a special supply planning system, trained personnel and wide logistics service for the needs of its customers, PROSAF has come one step closer to its goal of expansion across Turkey with a total turnover of 400 million TL and 28% growth with 303 personnel in 70 provinces and 102 stores in 2020.

PROSAF is the name of the professional solution partner at Bizim Toptan to reach Non-Domestic Consumption and Corporate points of sale. With its sales and logistics teams positioned at 102 stores in the 70 provinces of Turkey, the PROSAF operation separated itself from its competitors and became the most extensive Non-Domestic Consumption (NDC) solution partner and is capable of catering to 85% of Turkey's population.

Besides fuel stations and canteen customers and NDC points in the traditional channel, PROSAF also meets the needs of its customers with marina service in regions where tourism season is busy. In the last month of 2020, it began to offer phone support through Tele-Sale to its customers in addition to in-person service, with which it stood out and separated itself from its competitors.

It supplies all products needed by canteens, fuel station shops, corporate customers, hotels, restaurants, fast-food locations, cafes and pastries, catering companies, business kitchens, industrial organizations and public organizations, which operate in its target customer group.

PROSAF offers different order platforms, alternative payment methods, customer-specific activities and campaigns to its customers. It provides on-site delivery to customers for fresh food, frozen products and non-food products needed by its customers with special micro-distribution vehicles capable of transporting goods at +4 and -18 degrees.

PROSAF allows its customers to get all the products they need from a single supplier with its portfolio of over 7,000 branded products and Private Label products from more than 450 suppliers, even above the store product portfolio of Bizim Toptan.

It offers the following to its customers;

- Merchandising & Product Display Support
- Easy Return & Replacement Opportunities
- Advantages of Flexible Payment
- On-Site Delivery
- Alternative Order Channels
- Operational Convenience

ROADMAP

Moving on to become a solution partner with a special supply planning system, trained personnel and wide logistics service for the needs of its customers, the PROSAF team began its activities with 12 provinces, 15 stores and 60 personnel in 2017. It has come one step closer to its goal of expansion across Turkey by moving from a total turnover of TL 310 million with 90 stores and 220 personnel in 65 provinces in 2019 to 28% growth with a total turnover of 400 million TL with 303 personnel in 70 provinces and 102 stores in 2020. It achieved this growth and expansion by increasing the number of 15,000 customers it reached in 2019 to 23,000 in 2020.

PROSAF provided professional solution partnership to all the needs of fuel stations and grew 29% with a turnover of 66.5 million TL with 2,800 customers in 2020 with a central agreement working model at national and international fuel stations and thereby successfully became the most widespread sales organization in this customer type.

Prosaf delivers all the office and food needs of its corporate and chain customers to its branches at any point in Turkey with high service quality and a wide product portfolio consisting of branded and private label products, competitive prices and extended access network.

The customers it serves in this context are Turkey's leading corporate firms listed in ISO 500, Capital and Fortune 500. It continues to expand its corporate customer network with 36% growth by increasing its turnover of TL 54 million in 2019 to TL 85 million as of 2020.

Despite the negative impact of COVID-19 on the sector, which affected the whole world in 2020, it focused on fuel stations, bakery products, business kitchens and production companies that were active during this period and enabled them to grow effectively compared to 2019. The most important effect on this growth is that it effectively met customer expectations by anticipating the need for the changing product portfolio brought by the period.

PROSAF shaped both 2020 and future plans with the necessary digital investments to minimize the impacts of COVID-19.

Bizim Toptan's Internal Strength: Exclusive Products

Bizim Toptan private brand products category, consisting of 16 brands and 35 subcategories and 318 products, reached a turnover volume of TL 924 million with an increase of 41% and 1.5 million customers with an increase of 25% compared to the previous year in 2020.

Sales of exclusive products in the Turkish market continue to grow with a rising trend. With increasing price awareness, consumers make more effort to benefit from the most advantageous promotions and 9 out of every 10 customers shop knowing the price of all or most of the products. 3 out of every 4 customers compare the prices of exclusive products with the prices of branded products. The share of the sales of private label and exclusive products in the sales of fast-moving consumer goods in Turkey continues to increase above the trend of the last 10 years.

BİZİM TOPTAN EXCLUSIVE PRODUCTS BUSINESS OPERATES WITH 16 BRANDS, 35 SUBCATEGORIES AND 318 PRODUCTS.

With the trends in Turkey being like this, Bizim Toptan has a very strong Exclusive products business line as well. The most important feature that separates Bizim Toptan's exclusive products from other retail companies is that besides its own exclusive products, it also manages the brands of Yıldız Holding A.Ş. that are very strong and yet have not had marketing communication for a long time, under the umbrella of exclusive products.

The marketing communication strategies for these valuable brands are identified without moving away from their brand values, are redesigned by making changes that separate them from the competition with an innovative perspective and are delivered to Bizim Toptan customers across Turkey.

1 Nielsen 2019 PLAT Market Research Report

In 2020, the exclusive products category reached a turnover volume of TL 924 million with an increase of 41% and 1.5 million customers with an increase of 25% compared to the previous year. The share of private label product sales in the sale revenues of Bizim Toptan excluding sugar and cigarettes increased from 21% in the previous year to 24% and the share in sales excluding only cigarettes increased from 19% to 22%.

Making project design for products that meet the needs of customers on a channel basis with a focus on customer-based portfolio management and producing products with the most innovative designs pursuant to quality assurance procedures and approvals in line with the health standards, Bizim Toptan supports its products with strong launch plans.

By communicating in all marketing and commercial channels, the consumer is provided with awareness and brand recognition, the life of the product is monitored via continuous measurement and evaluation applications and customer loyalty is increased.

Managing the portfolio of private label products with collective responsibilities of private labels team, quality assurance team, trade teams, all sales and field teams and procurement planning team, Bizim Toptan will continue its customer-oriented brand management with strong new brands and product groups in the years to come.

OUR EXCLUSIVE BRANDS

Investments and Investment Policy

While Bizim Toptan plans to continue its new store opening activities with its disciplined store selection processes in 2021, it aims to enrich its multi-channel sales model with SEÇ, PROSAF and digital sales platform and thus improve its store productivity.

Bizim Toptan finances its new store investments using long-term financing (leasing) management in addition to its own equity. Having had the most extensive wholesale network across Turkey, Bizim Toptan maintained this position in 2020, opened 3 new stores, relocated 2 stores and closed 4 stores. Reaching 173 stores in 70 provinces of Turkey by the end of 2020, Bizim Toptan identified the locations for opening new stores considering the current and potential demand conditions throughout the year.

Strategic positioning, price leadership, low cost structure and shaping their operations according to future market dynamics are among the factors that increase the efficiency of Bizim Toptan investments.

As a goods supply business partnership model, SEÇ achieved significant development in 2020 and gained a separate company status while reaching 1,209 stores by the end of the year. Bizim Toptan stores assumed a key role in the supply of SEÇ goods, and the number and turnover of SEÇ business partners per store significantly improved.

PROSAF, the Professional Sales Force, continued to grow in terms of special products portfolio, the number of customers and geographical spread with its micro-management perspective despite the declining non-domestic consumption habits due to the pandemic in 2020 and became a strong sales channel.

BİZİM TOPTAN AIMS TO RENEW BOTH *BUSINESS PROCESSES AND SERVICE PROCESSES FOR CUSTOMERS* BY MAKING DIGITALIZATION ITS MAIN FOCUS.

Digital sales platform was commissioned in December 2020 with its new infrastructure. In parallel with the changing customer needs during the pandemic, the ability to receive Click & Collect orders from the digital trading platform, which had been tested for a long time, was put into operation for all stores. With Click & Collect, rapid development was achieved in the order collection operations of stores, and with the planning of the labor force of stores according to order density, the labor force problems experienced from time to time in the pandemic were prevented.

In 2020, with the effect of the pandemic, as individual customers felt the need to meet their collective purchasing needs in spacious and wide stores, increasing individual customer needs in stores were satisfied with applications such as customer basket that improved their shopping experience and with an affordable price policy.

With the new ERP transition project, Bizim Toptan began to renew the infrastructures of the stores, as it did in all sale channels, in 2020.

As the end-to-end order management project began to be used in all stores at the end of 2020, all processes from demand forecasting to the supply of the product from the supplier have been automated. Thus, both the operational process was managed more efficiently, and the risks of human error were minimized.

While Bizim Toptan plans to continue its new store opening activities with its disciplined store selection processes in 2021, it aims to enrich its multi-channel sales model with SEÇ, PROSAF and digital sales platform and thus improve its store productivity.

In 2021, the Company will continue its channel-based management in line with its sustainable, profitable and multi-channel growth model. Both retail and commercial customer experience with artificial intelligence supported projects, customer habits that changed with the pandemic such as contactless delivery and home delivery will continue to be the main areas where Bizim Toptan will direct its investments. It will also continue to stand by entrepreneurial traditional channel players with its business partnership goods supply system and will provide a means for employment in this regard. It also aims to renew both business processes and service processes for customers by making digitalization its focus. As it makes investments, the company continues to contribute to regional development as well.

Human Resources

Bizim Toptan continues its activities for the training and development of its employees with the awareness that the contribution of employees who are specialized in their field, focused on the goals and producing qualified work is great.

Acting with the awareness that it is people that make the difference in a competitive environment, Bizim Toptan designs and develops human resources policies accordingly. Providing direct job opportunities for 2,451 employees and contributing to regional employment with its extensive store network, Bizim Toptan prioritizes vocational and personal training processes. It develops its strategy in the field of human resources, develops the commitment of the employees to the Company and their cooperation among themselves and drives the company’s competitiveness.

Bizim Toptan has become one of the rare companies of Turkey with its rapid rise since 2002 and employees who are specialized in their field, focused on the goals and outputting qualified work made great contribution to this success.

Bizim Toptan Human Resources Policy;

- Conduct environmental opportunity and areas of improvement analyses and contribute to our organization's strategies,
- Analyze the present and future needs of the organization in order to achieve the strategic objectives of the organization; to design the organization that is most suitable for these needs and to build systems to develop human resources,
- To structure Bizim Toptan Satış Mağazaları A.Ş. strategies to ensure sustainable quality, reputation and sectoral leadership with a customer satisfaction approach that will raise the standards in the field in which it operates (retailing / Cash and Carry) and to be one of the companies in Turkey where people want to work the most,
- To increase the level of satisfaction and motivation of the employees by acting with the awareness that it is people that makes the difference in a competitive environment, to continuously improve commitment to the company and cooperation between employees and to move competitiveness forward,
- To improve our human resources and our business with constant training,
- It is based on maintaining our "Happy Employees, Happy Customers” approach.

As of December 31, 2020, the company provides direct job opportunities for 2,451 employees and contributes

to regional employment with its broad and extensive store network. The majority of employees consist of full-time employees.

TRAINING AND INTERNSHIP PROGRAMS CONTINUED

It diversified the B-Raise Store Manager Training program launched in 2017 and continues its training programs under the roof of B-Raise in various areas such as Store (Store Manager Training Program), B-Raise Customer Services (Customer Representative Training Program) and B-Raise Sales (Sales Representative Training Program).

Bizim Toptan continues to be a company that offers young talents both internship and job opportunities and supports them in the course of their experience. In this regard, it recruited 2 new graduates in 2020 during the JOB Intern process conducted by Yıldız Holding.

The company adopts policies that are fair (internal wage balance) and competitive in the market (external wage balance) as well as remuneration and benefits policies that support high performance. All business processes used throughout the company were documented by TSE with ISO 9001:2015 Quality Management System as well as ISO 14001:2015 Environmental Management System in 2019 and the documents are shared with regard to authority/ responsibility areas through “QDMS (Quality Document Management System)", which is an intranet system accessible to all employees. Focusing on innovation and change, Bizim Toptan Family publishes "BİZDEN", an internal communication bulletin to keep its entire team informed of developments, success stories and rewards in the company on a quarterly basis. Bizim Toptan also supports the development of commitment to the industry among employees, celebrating December 12 Merchandising Day with all employees.

Social Responsibility

Bizim Toptan pays utmost attention to implementing policies that respect and support the environment, education and public health and leads the community in these areas.

Leading the sector where it operates, Bizim Toptan runs its operations and manages its stores in line with environmental, health and safety laws. The social and environmental impacts of any activities of the Company are taken into consideration. Bizim Toptan, Turkey's leading organization, pays utmost attention to implementing policies that respect and support the environment, education and public health and leads the community in these areas.

As per company policy, business strategy is implemented according to principles of ethical and social responsibility. For this purpose, the social and environmental impacts of the works in the context of daily business activities of the Company are taken into consideration. Company management is of the opinion that the activities, transactions and operation of the stores are carried out in accordance with all environmental, health and safety laws.

As a group company of Yıldız Holding A.Ş., Bizim Toptan further supports social responsibility works participated by its main partner. To this end, it celebrated the "Make Happy, Be Happy" day in 2020 as it did every year since 2014, on the third Thursday of November, even though this time it was done remotely due to the pandemic, with webinars and gifts. In this process, while making customers happy with small

treats, it provided computer support on behalf of all employees within the scope of the "Close Support to Distance Education" campaign through the Red Crescent.

‘A BEAUTIFUL MOVEMENT’ TEAM CONTINUED ITS WORK

Bizim Toptan continued in 2020 to do good works which it commenced in 2018 with the “A Beautiful Movement” team, the social responsibility group formed by female employees under the leadership of Human Resources. After the sad earthquake that broke out at the beginning of 2020 in Elazığ, clothes were provided to earthquake victims and toys were provided to children.

In February, 30 pairs of boots were sent to the students of a school in Şanlıurfa with the revenue obtained by selling the delicious goods made by female employees before the pandemic began. Toys were collected through the employees under the “wish tree” erected inside the company premises, and then these toys were delivered to Mardin province via Toy Fellowship Platform.

Bizim Toptan also fulfills its responsibility of socialization and motivation for its employees. Bizim Toptan initiated its application in 2019 and moved it to the digital platform in 2020 due to the pandemic and brought an expert professional together with employees every month throughout the year. From technology to leadership, from parent-child relationships to performance management, the employees were provided with information from experts. Employees who, in addition to their professional competencies, had different hobbies and training were enabled to take part in this platform as experts and an intimate sharing environment was created where they could share their knowledge with the entire company.

Digital Sales Platform

Bizim Toptan extended its Click & Collect service to all its stores in 2020, moving its physical store experience to digital.

A pioneer in its industry with its many practices, Bizim Toptan continues to digitalize both its work processes and the services it offers to its customers as the customer shopping habits shift towards digital commerce day by day, which is further accelerated by the pandemic.

The most crucial change in the digital sales platform “Bizimtoptan.com.tr" in 2020 is the start of the Click & Collect service. Click & Collect service allows orders placed by customers via website or mobile app to be prepared at the store for pickup from the desired store at the desired hours and was tested starting with 3 Istanbul stores in December 2019 and then it was activated in all Istanbul stores in January 2020 and in all Bizim Toptan stores by July 2020.

The setup was completed where customers could receive their orders, prepared in advance for them, at the stores of their choice and the time range of their choice, using the delivery codes notified to them, with minimum contact and time. With the customization of the product range offered, product prices and promotions according to the store selected by the customer, the physical store experience was moved to digital. With this application, Bizim Toptan provided a contactless and reliable shopping medium to its customers while letting them save the time they would otherwise spend at the store.

ABOUT *5,000* VARIETIES OF PRODUCTS ARE SOLD IN THE FAST AND USER-FRIENDLY DIGITAL SALES PLATFORM. CLICK & COLLECT SERVICE WAS ACTIVATED ACROSS TURKEY BY JULY 2020.

Bizim Toptan aims to enable multi-channel “digital" retailing in its stores while primarily improving its customer experience by implementing the Click & Collect service. As customers are enabled to do contactless shopping, the amount of contact and the time spent in the stores during the COVID-19 period were minimized and a safe and healthy shopping model was created.

NEARLY 5,000 DIFFERENT PRODUCTS ONLINE

As shopping began with Click & Collect, products that are not suitable for cargo also began to be sold through the digital sales platform, which allowed 5,000 types of products to be sold online as they do at stores.

In order to adapt to the changing consumer demands of the retail sector, the first phase of the digital commercial infrastructure renewal project was completed in December 2020 and the web address www.bizimtoptan.com.tr was renewed.

Thanks to this platform, while the operational efficiency of Bizim Toptan will increase, the digital sales functions of Bizim Toptan Stores in the multi-channel structure will be combined in a single platform. In 2021, in the second phase of the project, the goal is to implement the digital sale platforms of Prosaf and Platinum (big wholesaler customer) sale channels with the same infrastructure.

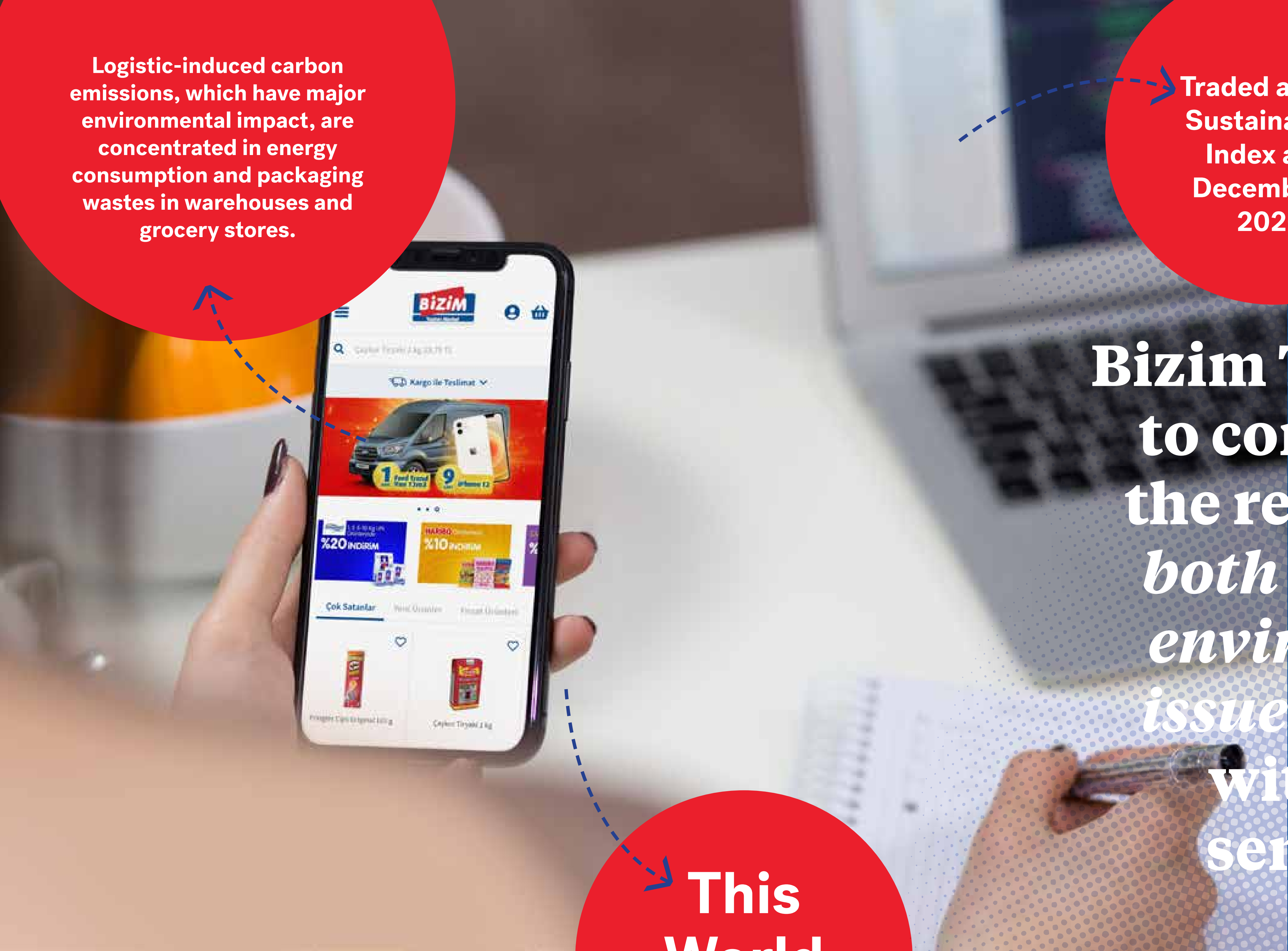
At a time when e-commerce customer usage habits are increasing day by day and are becoming much more important with the COVID-19 pandemic, Bizim Toptan promises its customers a better digital customer experience thanks to its fast, user-friendly and easy-to-manage new website.

Logistic-induced carbon emissions, which have major environmental impact, are concentrated in energy consumption and packaging wastes in warehouses and grocery stores.

Traded at BIST Sustainability Index as of December 1, 2020!

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!

Stands by the Future!



Bizim Toptan aims to contribute to the resolution of *both social and environmental issues* by acting with social sensibility.

This World is Ours!

Sustainability

Sustainability Principles Statement of Compliance

A. GENERAL PRINCIPLES

In Bizim Toptan, environmental, social and corporate governance (ESG) matters are handled by the Sustainability Committee created with the approval of the Board of Directors and chaired by the Chief Executive Officer under the sponsorship of the Deputy Chairperson of the Board of Directors. The Committee Chairperson (Chief Executive Officer) reports directly to the Chairperson of the Board of Directors.

The Committee follows the adaptation of the strategies, policies and objectives required to generate long-term value in line with the vision the Company aims to achieve and to manage the risks that may arise from economic, environmental and social factors to the Company's decisions, management and processes together with the corporate governance principles. The Sustainability Committee, which meets at least twice a year and plans its works, has responsibilities such as conducting works and developing projects to integrate sustainability into the structure of the Company; following national and international developments in sustainability; creating sustainability strategy, goals, roadmaps and policies; proactively managing risks in social, environmental and corporate governance matters and directing the Company's sustainability strategy and policy; following the developments in the Company's sustainability roadmaps and practices, setting goals, determining performance metrics in this regard, supervising performance in line with the goals and ensuring the active participation of all relevant units of the Company in the process.

Managers from important divisions of the Company such as Chief Executive Officer, Senior Manager of Investor Relations, Marketing and Customer Relations Director, Human Resources Director, Supply Chain and Channel Development Director, Marketing and Customer Relations Manager, Brand Manager, Environmental Management Representative, Quality Specialist and Project Manager assume active roles in the Sustainability Committee. In addition, a sub-commission (Working Group) was established, which comprises the Special Channels Sale Specialist, Maintenance Repair Manager, Demand Planning and Supply Chain Manager, Human Resources Manager, Assistant Quality Specialist, Software Specialist, Sales Operations Manager, Project Manager and a representative from the Finance Directorate.

The activities carried out within the scope of ESG are reported to the Chief Executive Officer and the company management team in any case and within the maximum periods set for the public disclosure of annual reports, and the sustainability performance is included in the sustainability report issued every year. Decisions made in Bizim Toptan Sustainability Committee are reported to the Board of Directors through the Chairperson of the Committee.

Bizim Toptan works continuously on innovation activities to improve sustainability performance for business processes or products and services and takes successful actions to apply these works to its operational activities and improvements are made in existing and new projects within the scope of business processes every year.

Sustainability performance has been announced to the public every year since 2017 within the scope of the sustainability report and in the annual report. In addition, information on the location, performance and development of the partnership is presented to stakeholders through the interim and annual report as well as the presentations on the company's corporate website.

Through sustainability reports, the Company provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to and reports the developments on priority issues in explanations and reports within the scope of a balanced approach, paying utmost attention to transparency and reliability.

The Company makes maximum efforts to comply with the Corporate Governance principles that must be complied with under the scope of the Capital Markets Board Corporate Governance Communiqué II-17.1 as well as all Corporate Governance principles. It considers the issue of sustainability, the environmental impact of its activities and the principles in this regard when determining its corporate governance strategy. Bizim Toptan also works on raising awareness about sustainability and its importance through social responsibility projects, awareness activities and training. The company has anti-bribery and anti-corruption policies and policies regarding the principle of fiscal integrity, which are disclosed to the public.

The Company does not have a lawsuit filed against it in environmental, social and corporate governance matters.

Bizim Toptan complies with majority of the principles issued under the scope of CMB's "Sustainability Principles Compliance Framework" through the Sustainability Reports it has released to the public since 2017 within the scope of its voluntary principle. Bizim Toptan carries out works on the following matters within the scope of the "Sustainability Principles Compliance Framework", which have not been implemented yet;

- identifying short and long-term goals and making them public,
- Identifying ESG Key Performance Indicators (KPIs) and explaining and comparing them over the years, presenting KPIs together with local and international sector comparisons,
- Preventing the potential negative impact of the products and/or services offered or explaining the minimization program or procedures,
- actions to reduce third-party greenhouse gas emissions,
- whether operations or activities are included in any carbon pricing system,
- accumulated or released carbon credit,
- carbon pricing,
- increasing the use of renewable energy, conducting works on the transition to zero or low carbon electricity,
- explaining the measures taken throughout the value chain to ensure the rights of minorities and segments that are vulnerable to certain economic, environmental and social factors as well as equal opportunity are observed,
- being a member of international organizations and a signatory of international principles;
- and implementation is planned to be made after the completion of administrative, legal and technical infrastructure works to contribute to the effective management of the company.

The calculations in the Sustainability Report are verified by Vigeo Eiris independent third parties within the scope of S360 and BIST Sustainability Index evaluations, and sustainability performance measurements are announced to the public with the Sustainability Report. Bizim Toptan has been included in the BIST Sustainability Index as of December 1, 2020.

B. ENVIRONMENTAL PRINCIPLES

Due to the increasing impact of climate change and the consequent extreme weather events, floods and droughts, arable land is shrinking. Bizim Toptan is aware of its responsibilities in the face of this situation, which poses a risk for the sustainability of agricultural activities, as a company that is dependent on soil and that provides approximately 35% of its turnover from food. In its activities, the company focuses on reducing sourced carbon emissions and on energy efficiency and works to reduce its environmental impact through good practices within the scope of water and waste management.

By adhering to its affiliate Yıldız Holding's discourse of World-Improvement, which focuses on improving environmental conditions, Bizim Toptan determines the impact of its activities on the environment and aims to improve its performance in terms of energy, water and waste day by day. In addition to being aware of its responsibility for the environment and the world, the Company also complies with legal obligations and regulations.

The main focus areas determined by the company in order to reduce its environmental impact are;

- To ensure the development of environmental awareness and protection of the environment in line with the business objectives with the support and participation of employees and all relevant stakeholders,
- Reducing wastes at source, re-utilizing them and using natural resources efficiently,
- Reducing the carbon footprint by using energy efficiently,
- Ensuring that the products it offers to its customers are sustainable based on life cycle,
- Fulfilling all environmental compliance obligations.

Logistic-induced carbon emissions, packaging wastes and energy consumption at warehouses and grocery stores constitute most of the environmental impact of Bizim Toptan as a company operating in the retail sector. ISO 14001:2015 Environmental Management System Certificate covering all Bizim Toptan stores and headquarters was obtained in 2019 to manage this impact systematically. Document inspections are carried out annually by TSI and the document validity continues as a result of the inspections carried out.

Documents are shared through the Quality System Document Management System, which is an intranet system accessible to all employees, and all the works related to the requirements of the Standard are continuously reported to the relevant unit managers and once a year to the senior management.

The company did not receive any environmental penalty in 2020 as a result of its diligent work. Environmental risks defined by the Company to prevent the impact of adverse environmental conditions on its business due to its activities are grouped as follows;

- Risks affecting the company's policy, vision and mission,
- Risks arising from internal and external environmental analysis affecting relevant parties and the company,
- Common risks affecting the overall Environmental Management System,
- Risks arising from the effects of the company on the environment.

The Company increases its efforts to minimize these risks. In 2020, the focus was on energy efficiency, infrastructure improvement and waste reduction to improve environmental performance.

The Basic Principles Regarding Environmental Management System and *the Environmental Policy of Bizim Toptan* can be found here.

The limitations regarding the environmental report, reporting period, reporting date, data collection process and reporting conditions in the Sustainability Report prepared within the scope of the Sustainability Principles are explained. At the same time, the duties and responsibilities of the Sustainability Board, where the issue of Sustainability is examined, as well as information about the senior managers taking part in the relevant committees are also explained in the Company's annual report and sustainability report. The sustainability reports published by the company in the last three years are put on the *investor relations website under the sustainability tab.*

Bizim Toptan aims to contribute to the resolution of both social and environmental issues by acting with social sensibility and develops projects to act with corporate social responsibility on these issues. For this purpose, TS EN ISO 14001:2015 Basic Environment and Internal Auditor training was given to the team comprising the stock count team, general directorate employees and regional managers to understand the scope of the Environmental Management System, for the employees to adopt the system and to realize environmental management on a systematic basis. In addition, in order to improve the environmental awareness of all employees, the training content in question was uploaded to the Intranet system Oncampus in the compulsory training category.

Adopting Yıldız Holding's "This World is Ours" sustainability strategy in the fight against the climate crisis, Bizim Toptan manages the works related to energy management, packaging and waste management, which are environmental problems, as well as water use in accordance with its business model and sets targets and develops strategies on this matter.

Energy Management

The company focuses on its major sources of environmental impact in the retail sector in which it operates, works to reduce greenhouse gas emissions arising from logistics and operations and to ensure energy efficiency in its operations. Within the scope of energy efficiency, the company improved the infrastructure in air conditioning and lighting systems and conducted route optimization works. In order to control energy consumption, it completed the infrastructure integration works for the cooling, air conditioning and lighting systems. Bizim Toptan, which carries out the rehabilitation in accordance with the energy management system via remote monitoring system in all its stores, can monitor the hourly, daily and monthly electricity consumption of all stores by category as of 2020.

The impact of climate change, the reduction of natural resources and the decrease in productivity in agricultural activities due to the damage on ecosystems require the business world to take responsibility for the protection of the natural capital. Bizim Toptan attaches importance to energy management for efficient resource management and for reducing its footprint by managing its environmental impact. Practices to reduce environmental impact play an important role in strengthening corporate perception and in providing a competitive edge. The company works with the goal of a better world for all stakeholders with effective environmental management, which is part of its corporate citizenship approach.

Works on increasing the use of renewable energy and transition to zero or low carbon electricity are ongoing.

The Company is not included in any carbon pricing system in operational activities, there is no carbon credit accumulated or purchased during the reporting period and no carbon pricing is applied.

Bizim Toptan's data on energy consumption and greenhouse gas emissions are given in the table below.

Energy Consumption (MWh)*	2017	2018	2019
Buildings fuel and electricity	**24,241**	**26,053**	**28,886**
Purchased electricity	22,314	24,408	27,870
Natural gas & Fuel oil & LPG	1,927	1,352	954
Generator (diesel)	0	294	62
Vehicle fuel	**585**	**2,731**	**4,870**
Diesel	585	2,731	4,870
Total Net Energy consumption	24,826	28,784	33,757

** Energy consumption is provided in TL and is calculated considering the annual average unit prices (sources such as EMRA and natural gas distribution companies). The lower values and conversion coefficients of energy sources were taken from the "Regulation on Increasing Efficiency in the Use of Energy Sources and Energy" published in the official gazette dated October 27, 2011 and numbered 287097, Annex-2 Lower Thermal Values of Energy Sources and Coefficients for Conversion to Oil Equivalents tables.*

Greenhouse Gas Emissions (ton CO_2 equivalent)*	2017	2018	2019
Scope 1	**603.5**	**1.121.3**	**1.570**
Vehicles	158.5	739.9	1.319.2
Fuels used in the plant	445	302.6	234.1
Generators (diesel)	0	78.8	16.7
Scope 2	**11,401,2**	**12,365,1**	**14,317,6**
Electricity consumption	11,401,2	12,365,1	14,317,6
Total	12,004,7	13,486,4	15,887,7

** Greenhouse gas emissions (ton CO_2 equivalent) data are provided in TL and are calculated as an average value.*

Greenhouse gas emissions were calculated according to GHG protocol. The Global Warming Potential (GWP) coefficients are obtained from the 6th Evaluation Report of the International Panel on Climate Change (IPCC).

Packaging and Waste Management

Wastes, which are one of the important effects of Bizim Toptan due to its operational activities, are one of the main issues it focuses on within the scope of environmental management. Packaging wastes constitute most of the resulting wastes. Therefore, the waste management approach is based on the recycling of packaging wastes. The company classifies and separates wastes at source and ensures their recycling through licensed companies. Packaging wastes in the store are collected through municipalities and organizations contracted by municipalities.

Zero Waste application (www.sifiratik.gov.tr) was initiated by the Ministry of Environment and Urban Planning in order to prevent waste in Turkey, to use natural resources efficiently, to reduce waste generation and to improve the separation of wastes at source. In this regard, with the "Basic Level Zero Waste Certificate" certification for stores, works were carried out for the management, separation and recovery of wastes and the certification processes specific to each store were carried out for the "Zero Waste" certificate through the system. Within the scope of the zero-waste project process, the waste amount details of each store is recorded and reported through the Integrated Environmental Information System.

In addition to its own recycling practices, Bizim Toptan also carries out communication activities to raise awareness among its customers visiting its stores about recycling.

- It collects paper, plastic, metal, glass, electronic and battery wastes in offices, kitchens and warehouses in designated bins in common areas and sends them for recycling.
- Waste battery bins were placed in all stores within the scope of sending the batteries collected in the stores and brought by the customers to the Portable Battery Manufacturers and Importers Association authorized by the Ministry of Environment and Urban Planning of the Republic of Turkey.
- Within the scope of cooperation with AGED, the company collects its unique branded products from the market and sends them to recycle.
- Used and worn cardboard boxes in the e-commerce stores are processed in packaging processing machinery and are transformed into new packaging material of high quality.
- With this method, which is only used to prevent damage to the products sent by cargo, the use of second packaging is prevented. At the same time, waste generation is reduced beyond financial savings by recycling packaging wastes.

Works on greenhouse gas emissions, which are environmental indicators, energy management, water and packaging raw material use and packaging waste management are ongoing and information about their environmental impact is reported on an annual basis with the sustainability report, where it is possible to compare them to the previous years. The standards, protocols, methodologies and base year details used for the calculations and the data collected in the reporting made within the scope of the sustainability works are also explained in the sustainability report for the relevant period.

Works are ongoing on short and long-term goals to reduce environmental impact and no goal has been announced yet.

Works to reduce third-party greenhouse gas emissions are ongoing.

Bizim Toptan data on packaging wastes and the raw materials used in packaging are given in the tables below.

Raw materials used in packaging (ton)	2017	2018	2019
Plastic (bag)	486.4	629.14	-
Plastic concentrated composite (Stretch)	74.34	98.34	74.02

** 2019 data is provided as the number of plastic bags.*

Packaging wastes	2019
Plastic bag / pcs	3,269,732

Furthermore, Bizim Toptan, Deha Biodizel and Deniz Temiz Association TURMEPA collaboration began the project as well. The project of collecting vegetable waste oils in plastic bottles and transferring to waste oil drums in Bizim Toptan Stores, whereupon Deha Biodizel company makes donation to Turmepa for every liter of vegetable waste oil collected in drums in the Bizim Toptan stores is ongoing at select stores.

Water Management

Although there is no water use arising from Bizim Toptan operations, practices for efficient water use are implemented in stores and head offices. With these practices aimed at monitoring water use and reducing it through systemic improvements, the Company focuses on reducing its water-based environmental impact. For this purpose, there are warnings, information and guidance aimed at increasing the awareness of employees and preventing unnecessary water consumption in all stores and head office.

Bizim Toptan's figures for water use are given in the table below.

Water use (m^3)	2017	2018	2019
Mains water	26,923,35	27,176,05	11,092,4

** Water data are provided in TL and are calculated as an average value considering ISKI workplace rates.*

C. SOCIAL PRINCIPLES

C1. Human Rights and Employee Rights

Bizim Toptan defines its employees as its most valuable asset and acts with a human-centric approach that aims to create value for its employees in the long term. It is well-aware of the impact of its employees on the long-term success of the company and the satisfaction of its customers. It aims to get stronger with happy, qualified and expert employees for sustainable growth and customer satisfaction and to maintain its strategies in a sustainable way. Therefore, it offers career and development opportunities to its employees, aims to continuously increase employee satisfaction and commitment, and puts healthy and safe work environment at the focal center.

It prioritizes being fair and observing equal opportunity in all human resources practices from job application and recruitment processes to promotion and remuneration, and from career development and training to performance management. For this purpose, it created its Ethical Principles in 2018 with regard to ensuring equal opportunity in recruitment processes, fair workforce observing the supply and value chain impact, improvement of working standards, women's employment and inclusiveness (making no discrimination on women, men, religious beliefs, language, race, ethnicity, age, disability, refugees, etc.) and included said principles on the sustainability report published every year as well as on the sustainability page of its investor relations website. It also adopted Yıldız Holding's Ethical Principles and Working Principles as a subsidiary of Yıldız Holding. It has not yet established the Corporate Human Rights and Employee Rights Policy in which full compliance with the Universal Declaration of Human Rights, ILO Conventions approved by Turkey and the legal framework and legislation regulating human rights and working life in Turkey is undertaken.

Bizim Toptan rejects discrimination, inequality, human rights violations, forced labor and child labor in accordance with its Ethical Principles as well as the Ethical Principles of Yıldız Holding, which principles it accepts as an affiliate of Yıldız Holding.

Believing that making a difference is closely related to the happiness of employees in the retail sector where being customer-oriented comes to the forefront and competition is intense, Bizim Toptan creates an equal, fair and healthy business environment that considers diversity important for the happiness and satisfaction of its human resources, offers vocational and personal development and training opportunities where they can improve themselves with the competencies required by the sector and pays attention to the wage balance of its employees with its benefits and premium systems.

Bizim Toptan continuously reviews and develops human resources practices to manage its team, which grows more and more every year, in the most effective way. In addition to continuously contributing to employment in the country, the company also contributes to the country's economy with the added value it creates. Bizim Toptan continues to improve day by day with its 173 stores in 70 provinces of Turkey and, as of the end of 2020, 2,451 employees.

Performance and Career Management

Global trends such as digitalization, changing customer expectations, increased competition and the disappearance of mediation continue to shape the Cash & Carry sector. In order to manage the impact of these trends on the sector and to adapt to change, it prioritizes investment in human resources, whose capabilities are managed in the most appropriate way, maximizing their contribution to the company. Bizim Toptan enables its employees to discover career opportunities and provides training for personal and professional development.

It attaches importance to measuring and improving the current and potential performance of employees. For this purpose, a performance evaluation system is implemented that enables progress in business objectives and that is based on the employees' competencies and progress in business objectives. It creates the most effective approaches to evaluation for white-collar employees at the head office and blue-collar employees in the field.

A Goal Setting Workshop is held every year in January with the balanced goal card methodology for all white-collar employees in the head office. With this methodology, the Company evaluates employee performance once a year with a three-stage performance evaluation system in terms of financial, customers, business processes and human aspects. By combining the evaluation results consisting of target setting, interim evaluation and final evaluation stages with the annual financial success of the company, the result of the performance evaluation is reached. Bizim Toptan conducts performance evaluation by measuring basic performance indicators such as sales growth, profitability, customer satisfaction, stock management and audit for its blue-collar employees in quarterly periods. Premium performance indicators are used in the field performance evaluation process performed twice a year, which includes duty and competence evaluation. Evaluation results are also used in Human Resources Planning made once a year.

The performance system is used to determine year-end premiums. A remuneration system based on position workload is implemented, and

	2017		2018		2019		2020	
	Women	Men	Women	Men	Women	Men	Women	Men
Total number of employees	164	1,691	179	1,833	192	2,021	258	2,193
Number of white-collar employees	41	112	42	116	46	126	65	149
Number of blue-collar employees	123	1,579	137	1,717	146	1,895	193	2,044

	2017		2018		2019		2020	
	Women	Men	Women	Men	Women	Men	Women	Men
Total number of works subjected to regular performance and career development evaluation	26	104	43	113	45	126	65	149

premium systems based on objective measurements where all employees move towards the same goal are used.

Employee Development

For Bizim Toptan, employee development is of great importance to increase the competence of its employees and customer satisfaction.

As employee training moved to the digital environment, online training increased and it provides efficiency in terms of duration and content while ensuring that training courses reach more employees. All new recruits are also provided with orientation training to learn the business processes and to adapt more easily. In addition, Bizim Toptan tries to support young talents during their experience by offering them both internship and job opportunities afterwards. Bizim Toptan offers young people the opportunity to do internship during the JOB Internship Program conducted by Yıldız Holding as well. It prioritizes its own employees in the newly opened positions, and development plans are created in line with the needs of the company and of the employees, considering the employees' potential.

The human resources approach, which includes matters such as rules of doing business, equal opportunity, discrimination and employee rights, is also shared in detail in Bizim Toptan Ethical Principles and Yıldız Holding Ethical Principles and Working Principles.

Bizim Toptan provides training to its employees on matters such as development of managerial personality traits, store management and development of sale competencies, and improves their training processes with the help of digitalization.

Head office employees can participate in foreign language training and training on different subjects comprising personal development, leadership, technical and vocational training from Yıldız Holding's training catalogue. Human Resources department organizes seminars on different subjects at the head office every month. Seminars covering various subjects from technology to leadership, from parent-child relationships to performance management are held in these gatherings attended by expert professionals.

Bizim Toptan also attaches importance to sustainability and ESG issues. In this regard, it informs its employees about ESG policies and plans for its employees to participate in training courses in this area. In cooperation with its main partner Yıldız Holding, it is ensured that employees participate in Sustainability training, and quality, food safety and work safety training courses are offered as well.

In addition to all seminars and training courses of Bizim Toptan, there are 6 different human resources programs. These are:

- B-Raise Manager Training Program: It is a program aimed at raising qualified store managers who have different perspectives and who will carry Bizim Toptan to the future.
- Store Manager Development Program: Employees continue to receive training in the Store Manager Development Program, which is designed as three modules to ensure that Bizim Toptan attains its future goals and to support the whole team to move towards the same goal by acting today. Positive Attitude and Relationship Management in Merchandising, Team Management in Merchandising, being a Store Manager and Strategic Retail Management, Managing Goals and Finances at the Store, Sales and Customer Management, Store Area Management and Sales Boosting Activities are important topics of the program.

Training	2017	2018	2019	2020
Total hours of training given to employees (excluding OHS training)	511	43,104	39,823	25,647
Average annual training hours per employee	0.2	21.4	18	10.52

- Customer Representative Training Program: It is a program implemented to train customer representatives who will take an active role in the new customer acquisition process in the stores and to expand the talent pool.
- PROSAF Sales School: The Sales School was founded for compliance to the professional sales team PROSAF established in 2018 to deliver all brands in Bizim Toptan stores to traditional and non-domestic consumption points on site. The school covers in-class training comprising technical training for the newly recruited field sales teams, and field training.
- Audit Players: It is a training program that enables head office employees and store managers to participate in the store audit processes and aims to perform work with zero errors by ensuring alignment between the head office and the field.
- JUMP Career Path: Aiming to make career planning of employees in a way that is transparent and fair with JUMP Career Program, Bizim Toptan also contributes to career development by enabling them to gain experience in different positions.

Employee Commitment and Satisfaction
Believing that keeping its employees qualified, happy and motivated is indispensable for making a difference and being competitive in the sector, Bizim Toptan cares about the satisfaction and commitment of its employees and takes actions in this regard. Employee Satisfaction Survey is conducted periodically. In 2019, the commitment score was 77 in the last employee loyalty research conducted with the participation of 81% of field employees and 73% of Headquarters employees.

Employee Volunteering
Bizim Toptan believes that volunteering activities increase employee loyalty and have social benefits. For this purpose, it participates in social responsibility works with its employees and shares them with the public through annual reports.

Works Regarding the Law on the Protection of Personal Data
Bizim Toptan attaches utmost importance to the protection of personal data and data security. For this purpose, it formed a policy and took actions.

OCCUPATIONAL HEALTH AND SAFETY

Ensuring that employees work in a healthy and safe work environment is one of the biggest responsibilities of Bizim Toptan. It observes occupational health and safety (OHS) rules in the head office and stores within the framework of laws and regulations. It also makes improvements every year in line with the Zero Work Accidents target. Investment was made in digitalization in processes such as systematic and central supervision and reporting of occupational health and safety activities in 173 stores in 70 provinces. It was ensured that all store camera systems are centrally monitored, and the functioning of health and safety rules is monitored throughout the year. Risk assessments are carried out throughout the year and processes and practices for the elimination of OHS risks are followed.

Bizim Toptan Occupational Health and Safety Policy was created and the Occupational Health and Safety Board of 16 persons comprising senior managers at the Headquarters was created, which will report directly to the Chief Executive Officer. Action is taken on occupational health and safety in stores with subcommittees reporting to the Board.

In addition, earthquake survey analyses of all stores were made in 2020 and strengthening projects of high-risk stores were commenced. Based on the risk maps of stores, additional protective measures were determined for shelf equipment that become highly important during earthquakes and additional measures are taken for the shelf systems of stores in Marmara and İzmir regions. Emergency training was given to 1,895 people and fire training was given to 161 people during the year. Emergency drills were conducted in all stores. A total of 12.1 hours of training was provided per employee for Occupational Health and Safety in stores across Turkey.

Occupational Health and Safety	2017	2018	2019	2020
Number of accidents	62	15	46	57
Number of accidents with death	0	0	0	0
Number of occupational diseases	0	0	0	0
Occupational disease rate*	0	0	0	0
Accident frequency ratio**	3.1	3.30	1.84	2.3
Accident weight ratio***	-	15.87	1.87	15.98
Lost day ratio	-	60.76	2.04	289

** Occupational disease rate (ODR): Number of occupational diseases * 200,000/Total working hours;*
*** Accident Frequency rate: Total number of accidents/(Total working hours) * 200,000;*
**** Accident weight ratio: Total day loss / (Total working hours) * 200,000;*

OHS Training	2017	2018	2019	2020
Total number of training given to employees	-	13,196	4,308	28,654,00
Training hours per employee	-	6.55	1.94	12.1
Total hours of training given to subcontractors	-	-	160	556

C2. Stakeholders, International Standards and Initiatives

Bizim Toptan conducts its communication with all its stakeholders in a continuous and transparent manner. The Company also conducts its activities in the field of sustainability considering the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.). The works conducted with Stakeholder Groups are summarized in the table below.

The Company publishes the GRI (Global Reporting Initiative) content in the Sustainability Report, prepares its financial statements according to IFRS (international financial reporting standards) and publishes its financial statements and annual reports in quarterly periods.

The Company does not yet have an international organization or principles to which it is a signatory or member within the scope of sustainability issues. On the other hand, the company has been publishing a Sustainability Report on a voluntary basis since 2017 and has been included in Borsa Istanbul Sustainability Index upon successfully meeting the evaluation criteria as of December 1, 2020.

D. CORPORATE GOVERNANCE PRINCIPLES

Certain Corporate Governance Principles were made mandatory by the Capital Markets Board (CMB) for companies traded on Borsa Istanbul (BIST) based on Article 17 of the Capital Markets Law of 12/6/2012 no 6362 and the II-17.1 Corporate Governance Communiqué of 1/3/2014. Accordingly, the company agreed to comply with the provisions mandated by CMB, and necessary efforts are being made to comply with the other principles in the Communiqués.

Although full compliance with the non-mandatory Corporate Governance Principles is also intended, full compliance has not yet been achieved due to difficulties in implementation of some of the principles and the fact that some principles do not fully overlap with the current structure of the market and the company.

Although the principles that have not yet been implemented have not led to any conflict of interest among the stakeholders, work is ongoing, and implementation is planned to be made after the completion of administrative, legal and technical infrastructure works to contribute to the effective management of the Company.

The Company considers the issue of sustainability, the environmental impact of its activities and the principles in this regard when determining its corporate governance strategy.

The Company takes the necessary measures to comply with the principles regarding stakeholders and to strengthen communication with stakeholders as stated in the Corporate Governance Principles. It appeals to the views of internal stakeholders in determining measures and strategies with regard to sustainability and has also held workshops with committee members and the consultancy company in this regard.

While largely adapting to international standards in terms of sustainability, it continues to work to become a member to initiatives and to contribute to works.

Thanks to the ethical principles it set out, Bizim Toptan carries out its anti-bribery and anti-corruption activities and works in line with its principle of fiscal integrity. It has completed the necessary works to prevent violations in this regard, to detect possible violations and to apply sanctions.

Bizim Toptan's ethical principles are presented to the public under the sustainability tab on the investor relations website.

Our most valuable asset:

Our employees

Bizim Toptan conducts its communication with all its stakeholders in a *continuous* and *transparent* manner.

It rejects discrimination, inequality, human rights violations, forced labor and child labor in accordance with its Ethical Principles.

Continuous improvement of its employees is among the main principles of Bizim Toptan.

Bizim Toptan Stands by Commerce, Merchants, Employees and Life!

Stands by Commerce!

Corporate Governance

Investor Relations

Bizim Toptan has been included in the BIST Sustainability Index as of December 1, 2020.

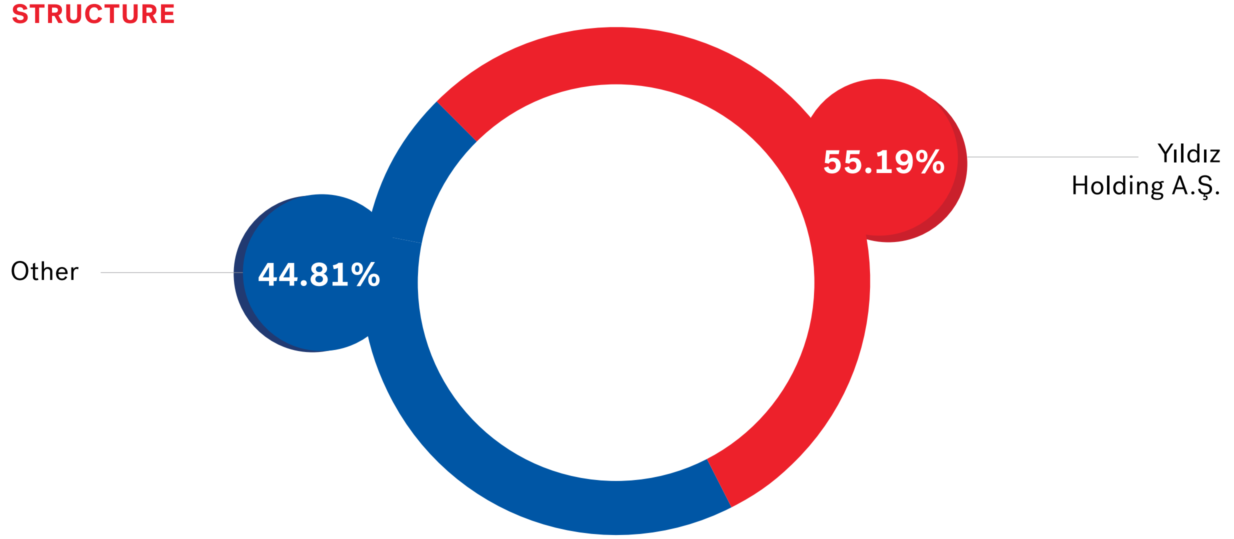
Bizim Toptan Investor Relations held one-on-one meetings with over 70 corporate investors and intermediary organization officers (analysts and overseas sales department officers) despite the impact of the pandemic conditions in 2020.

Following the announcement of financial results during the year, the evaluation of the results was shared with the stakeholders with the attendance of CEOs and CFOs. To this end, webcasts / teleconferences were held four times.

It participated in the conferences of the investment bank Wood&Co twice, which took place in the virtual environment due to the pandemic and organized a virtual roadshow where it met with the directors of domestic portfolio management companies.

Borsa İstanbul A.Ş. Bizim Toptan is traded on Yıldız Pazar and has been included in the BIST Sustainability Index as of December 1, 2020.

STRONG PARTNERSHIP STRUCTURE



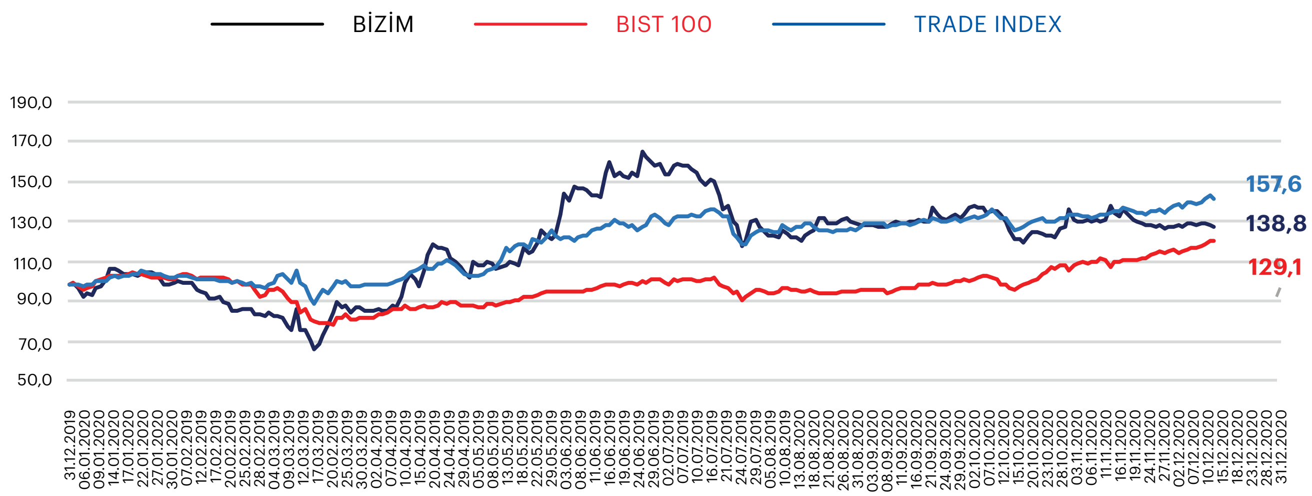
KEY INFORMATION

Date of Public Offering:	February 3, 2011
Stock Exchange Code:	BIZIM.IS
Bloomberg Code:	BIZIM TI Equity
Paid-in Capital:	TL 60,000,000
Upper Limit of Registered Capital:	TL 200,000,000

KEY DATA AS OF 12/31/2020

Closing Price: TL 15.36
Market Value: TL 921,600,000
Relevant Indexes: BIST STARS, BIST ALL SHARES, BIST 100, BIST SERVICES, BIST TİCARET, BIST SUSTAINABILITY, BIST 100-30

DAILY ACTION ACCORDING TO CLOSING VALUES OF BİZİM TOPTAN, BIST 100 AND TRADE INDICES: 12/31/2019=100



CONTACT

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Report of Compliance to Corporate Governance Principles

PART I
STATEMENT OF COMPLIANCE TO CORPORATE GOVERNANCE PRINCIPLES

Aware of the importance of adopting and actively implementing the Corporate Governance Principles determined by the Capital Markets Board ever since our company's incorporation, our company has intensified its efforts in this direction in recent years. Certain Corporate Governance Principles were made mandatory by the Capital Markets Board (CMB) for companies traded on Borsa Istanbul (BIST) with the "Corporate Governance Communiqué" based on Article 17 of the Capital Markets Law of 12/6/2012 no 6362 and the II-17.1 Corporate Governance Communiqué of 1/3/2016.

Accordingly, it was accepted that provisions whose implementation is deemed mandatory by CMB are to be observed. Works were carried out to ensure compliance with other non-mandatory articles. To date, in order to comply with Corporate Governance Principles, our Company;

- Created the "Investor Relations Management Office",
- Formed the Board of Directors by identifying the independent board member candidates according to the number specified in the Communiqué on Corporate Governance Principles, announcing them to the public and sharing their background,
- Created the Corporate Governance, Inspection and Early Risk Detection Committees to serve under Board of Directors,
- Published the working principles of the Committee on the Public Disclosure Platform and its website,
- Elected the chairmanship functions of committee members from among the independent members of the Board of Directors and ensured that the independent members have a majority in the committees,
- Information document, meeting agenda, activity report 3 weeks before the General Assembly,
- The Board of Directors submitted the resumes of the member candidates and other information to be disclosed to the investors and shareholders,
- The Board of Directors were informed of the related party procedures and it was decided to proceed with the procedures following approval of the independent board members,
- Preparations were made for E-General Assembly, internal guideline was created and E-General Assembly began to be held starting from 2012,
- Common and perpetual procedures report was prepared and published on the PDP with the decision of Board of Directors,
- The investor relations manager was included in the corporate governance committee to render committee members compliant with the Corporate Governance Communiqué,

- Made the necessary arrangements regarding the trade of information obtained internally,
- Elected a female member of the Board of Directors (1/8 of the Board of Directors members)
- Arranged the website as outlined in the principles,
- Made the necessary arrangements for the articles of association to comply with the Corporate Governance Principles.

Although full compliance with the non-mandatory Corporate Governance Principles is also intended, full compliance has not yet been achieved due to difficulties in implementation of some of the principles and the fact that some principles do not fully overlap with the current structure of the market and the company. Although the principles that have not yet been implemented have not led to any conflict of interest among the stakeholders, work is ongoing and implementation is planned to be made after the completion of administrative, legal and technical infrastructure works to contribute to the effective management of our company.

The Grounds for Not Implementing Certain Corporate Governance Principles:

- A model or mechanism for the participation of stakeholders in the management has not yet been established. However, independent members of Board of Directors enable the Company and the shareholders as well as all stakeholders to be represented in the management. The Company considers the opinions and suggestions of employees, suppliers, various non-governmental organizations and all other stakeholders.
- There is currently no written compensation policy for the employees that needs to be created according to article 3.1.2 of the Corporate Governance Principles and works are ongoing.
- Some of the Members of Board of Directors take part in several committees.
- In accordance with Article 4.6.5 of the "Corporate Governance Principles", fees and all other benefits provided to board members and executives are disclosed to the public in the annual report. However, the statement made is not on per person basis.
- There is no provision in the Articles of Association that the shareholders may request special inspection from the general assembly as an individual right. TCC and CMB regulations regarding the appointment of special auditors are considered to be sufficient. Within the framework of the regulations introduced by the Turkish Commercial Code No. 6102, which entered into force on 7/1/2012, the right of each shareholder to request a special audit is observed.

The following is information about Corporate Governance Works of our Company. Corporate Governance Compliance Reporting No. II-17.1 will be carried out using the Corporate Compliance Report (URF) and Corporate Governance Information Form (CGIF) templates through the PDP platform in accordance with the Capital Markets Board decision of 1/10/2019 no 2/49. The reports can be accessed at https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1536-bizim-toptansatis-magazalari-a-s which is linked here to the page of our Company via PDP platform.

PART II SHAREHOLDERS

2.1. Investor Relations Department

The Investor Relations Department is conducted within the organization of Investor Relations Senior Management Office working under Önder Arıkan, CFO of the Company. This unit is managed by Işıl Bük, which has both Capital Market Activities Level 3 and Corporate Governance Licenses. This unit responds to written, verbal or online applications made by our current and potential stakeholders. It also participates regularly in investor conferences held in Turkey and abroad and conducts interviews with domestic and foreign corporate investors. Our Investor Relations Senior Management Office took part in 2 conferences, organized 1 roadshow and conducted a total of 74 interviews with current and potential shareholders in 2020.

Contact details of our Investor Relations Senior Management Office are as follows:

Önder Arıkan
(Chief Financial Officer - CFO)

Işıl Bük
(Senior Manager of Investor Relations and Member of the Corporate Governance Committee)

Phone: 0216 559 10 60
Email Address: ir@bizimtoptan.com.tr

Statements for Istanbul Stock Exchange, CMB and CRA for informing stakeholders as well as communications made with these organizations are managed by this unit.

In addition to ordinary and extraordinary general meetings, various meetings are held with our stakeholders on a project basis or on demand.

2.2. Use of the Right of Shareholders to Obtain Information

Written or verbal requests for information received from our shareholders in the course of the period have been met, except for information that are trade secrets or not disclosed to the public. All the information necessary for the healthy exercise of shareholding rights is made available to our shareholders on our quarterly and annual financial statements, annual reports, our special case statements and through individual requests. At the same time, the required information has been made available to shareholders electronically at www.bizimtoptan.com.tr and www.biziminvestorrelations.com. Information about the procedures and principles regarding Company audit was shared in Article 13 of the Articles of Association of our Company and there was no request for the appointment of a special auditor during this period.

2.3. General Assembly Meetings

Article 1527 of the Turkish Commercial Code (TCC) of 1/13/2011 no 6102 stipulates that attendance, making suggestions, giving opinions and voting in the general assembly meetings of joint stock companies in the electronic environment have all the legal implications of physical attendance and voting, and that the system for attending and voting in general assembly meetings in the electronic environment is mandatory for companies listed in the stock exchange, and therefore the e-General Assembly meeting is held on the same date and in parallel with the physical General Assembly meeting.

Ordinary General Assembly meeting for 2019 was held on 7/17/2020 at Kuşbakışı Cad. No:19 Altunizade, Üsküdar/İstanbul with the attendance of shareholders representing about 58% of the paid capital amounting TL 60,000,000. 33,111,290.76 shares corresponding to the capital amounting TL 33,111,290.76 were represented in the meeting by proxy in physical environment, 301 shares corresponding to the capital amounting TL 429 were represented principally in physical environment, 1,915,689 shares corresponding to the capital amounting TL 1,915,689 were represented by proxy in the electronic environment and a total of 35,027,408.76 shares were represented. There was no media attendance at the meeting. As stipulated in the Law and in the articles of association, the invitation for the meeting was made in due term by announcing the same on the issue of the Turkish Trade Registration Gazette of 6/17/2020 no 10099, on the issue of 6/18/2020 no 10573-12222 of the daily published Dünya Gazette, at www.bizimtoptan.com.tr, the official website of the Company and on the Public Disclosure Platform, in such way to include the agenda, as well as by notifying the date and agenda of the meeting.

Financial statements and reports -including the annual report-, profit distribution proposal, information document prepared in relation to the needed agenda items of the General Assembly meeting as well as other documents forming the basis of the agenda items have been kept available to be examined by our shareholders at the headquarters and branches of our company starting from the date of announcement made for the invitation to the General Assembly meeting. Moreover, agenda items, power of attorney sample, information document, balance sheet, profit and loss statements, independent audit report and footnotes, decision of the board of directors on profit distribution, annual report and related party transactions report were prepared prior to the general assembly meeting and were published on www.biziminvestorrelations.com before the meeting date in due term.

At the General Assembly meeting, the issues on the agenda were conveyed in an impartial and detailed manner in a clear and understandable way; shareholders were given the opportunity to express their opinions and ask questions under equal conditions and a healthy discussion environment was created.

The shareholders who spoke at the 2019 General Assembly wished a successful year in 2020 and no suggestions were submitted other than the agenda items. Minutes and agenda items of the General Assembly meeting were published on *www.biziminvestorrelations.com*

INFORMATION ABOUT THE 2019 GENERAL ASSEMBLY MEETING

- It was unanimously decided that the 2019 annual report shall be deemed to have been read.
- Mert TÜTEN provided information about the Independent Auditor's Report, containing the activity results regarding the financial statements issued by PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. according to the Communiqué on Principles of Financial Reporting in the Capital Market No. 14.1 issued by the Republic of Turkey Prime Ministry Capital Markets Board for the accounting period of 2019.
- It was unanimously decided that the balance sheet and profit/loss statement for the accounting period of 2019, accurately reflected in accordance with the accounting principles and standards set out in the Communiqué on the Principles of Financial Reporting in the Capital Markets No. II-14.1 issued by the Republic of Turkey Prime Ministry Capital Markets Board should be deemed to have been read. Balance sheet and profit/loss statement for the 2019 accounting period were discussed. No one made comment. As a result of the voting, the balance sheet and profit / loss accounts were unanimously accepted.
- Each member of the Board of Directors did not exercise the voting rights arising from their respective shares in their acquittal due to the 2019 accounting period activities and procedures and was acquitted by unanimity of the attendants.
- The Chairperson of the meeting read the written motion that Ali ÜLKER, Mehmet TÜTÜNCÜ, Erman KALKANDELEN, Bendevi PALANDÖKEN, Cengiz SOLAKOĞLU, who have provided written declarations that they accept the position, as Board members, and Ahmet BAL, Ömer Faruk SEVGİLİ and Fatma Füsun AKKAL BOZOK as independent members shall

be appointed for 3 years, Mr. Cengiz SOLAKOĞLU shall be paid TL 4,500 net monthly fee, Mr. Bendevi PALANDÖKEN shall be paid TL 6,500 net monthly fee, Ms. Fatma Füsun AKKAL BOZOK shall be paid TL 4,500 net monthly fee, Mr. Ömer Faruk SEVGİLİ shall be paid TL 4,500 net monthly fee, and Mr. Ahmet BAL shall be paid TL 4,500 net monthly fee, and other board members shall not be paid any fee, and since there were no other suggestions or proposals, this motion was accepted with a majority of votes, namely 33,111,719.76 positive electronic and physical votes against 1,915,689 rejection votes of the attendants.

- The Chairperson of the Meeting read the written motion that, as a result of the discussions made with regard to using the profit from the year 2019, under the scope of Law No. 7244 pointing out the importance of protection of the equities of equity companies, as proposed by Yıldız Holding A.Ş., in accordance with the Communiqué on the Procedures and Principles Regarding the Implementation of the Provisional Article 13 of the Turkish Commercial Code No. 6102, gross TL 8,268,884 provision for 25% profit share from the net profit of 2019 financial year shall be distributed on October 5, which was unanimously accepted by the attendants since there was no other suggestion or proposal.

- A written motion was read by the Chairperson of the Meeting regarding the voting of the election decision of PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., which had been elected to carry out the independent external audit of the accounts and transactions of our company for the 2020 accounting year in accordance with the decision of the Board of Directors, and this motion was unanimously accepted by the attendants since there was no other suggestion or proposal.

- Within the framework of the regulations of the Capital Markets Board, the general assembly was informed about the guarantees, pledges and mortgages provided by the Company in 2019.

- The General Assembly was informed by the Chairperson of the Meeting, with regard to donations made by the Company in 2019, that a donation of TL 147,500 was made. It was unanimously accepted by the attendants that the proposal of the Board of Directors to set the donation limit for the period of 1/1/2020-12/31/2020 as one-thousandth of the sales be discussed and decided.

- Granting permission to members of the Board of Directors pursuant to provisions of Articles 395 and 396 of the Turkish Commercial Code on the procedures they will perform regarding the company was accepted by a majority of votes with 34,538,163.76 electronic and physical positive votes against 489,245 electronic negative votes.

- Hamza İnan, a shareholder who spoke in the wishes section, asked whether there would be a rights issue or bonus issue and how COVID 19 would affect the company's balance sheet. The company CFO Önder Arıkan took the floor. In response to the shareholder's questions, it was shared with him that all explanations are made simultaneously to all investors through the Public Disclosure Platform. The meeting was ended with the wish for a successful year in 2020.

2.4. Voting Rights and Minority Rights

Pursuant to our articles of association, each share has one vote. Right holders who have the right to attend general assembly meetings of the Company may also attend these meetings in the electronic environment in accordance with Article 1527 of the Turkish Commercial Code. In accordance with the provisions of the Regulation on General Assembly Meetings to be Held in the Electronic Environment for Incorporated Companies, the Company may establish an electronic general assembly system that will allow right holders to attend general assembly meetings, express opinions, make suggestions and vote in the electronic environment, or it may purchase services from the systems created for this purpose. In all general assembly meetings to be held, in accordance with this provision of the articles of association, it is ensured that the right holders and their representatives can exercise their rights specified in the provisions of said Regulation through the established system.

Our articles of association have no provisions preventing non-shareholders from voting by proxy as representatives. There is no company in which our company is a mutual subsidiary. There are no concessions on share groups and shares in our company's capital. Accumulated voting method is not used in our company.

2.5. Right to Dividends

At the meeting of the Board of Directors dated 3/11/2011, the dividend policy of our Company was determined with the decision taken regarding profit distribution. There are no concessions in our articles of association regarding participation in the company's profit. Our company's "Profit Distribution Policy" has been made public through its annual reports and website. Said policy of our company is as follows:

“Our company may distribute the dividend in the amount determined by the Board of Directors and submitted to the approval of the General Assembly based on CMB communiqués and regulations, taking into account the investment, financing plans and profitability pursuant to the company's long-term growth strategies, by way of giving cash or free shares or by giving a certain amount of cash and a certain amount of free shares. Distribution of 50% of the distributable net profit as cash dividend to shareholders as long as our respective legislation and investment needs allow has been identified as our Company's dividend policy and it has been unanimously decided that this policy is to be presented by the Board of Directors to the approval of the General Assembly. The public will be further informed in the event of any changes in this policy in the future.”

A written motion was read in the Ordinary General Assembly Meeting of 2019 that, as a result of the discussions made with regard to using the profit from the year 2019, under the scope of Law No. 7244 pointing out the importance of protection of the equities of equity companies, as proposed by Yıldız Holding A.Ş., in accordance with the Communiqué on the Procedures and Principles Regarding the Implementation of the Provisional Article 13 of the Turkish Commercial Code No. 6102, gross TL 8,268,884 provision for 25% profit share from the net profit of 2019 financial year shall be distributed on October 5, which was unanimously accepted by the attendants.

2.6. Transfer of Shares

The transfer of shares is covered in Article 6 of our articles of association. Accordingly, the transfer of the Company's shares is free provided that the provisions of the Turkish Commercial Code, Capital Market legislation and the articles of association are reserved.

PART III
PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website and Its Content

Our company's website is www.bizimtoptan.com.tr in Turkish and English. The following information is available on our company's website under scope of informing the shareholders;

- Information about Bizim Toptan,
- Investor relations
- Special Offers
- Products
- Customer applications
- Company's vision and mission
- Our line of business
- Our contribution to Turkey's economy
- Articles of Association of the Company
- Financial reports
- Financial calendar
- Special case statements
- General Assembly meeting minutes
- Prospectus and public offering circulars
- Investor presentations
- Analyst information
- Partnership structure
- Information and Profit Distribution Policies
- Top Management Staff Details
- Information Society Services
- Information Regarding Protection of Personal Data

In accordance with CMB Communiqué on Corporate Governance Principles, the address of our Company's website is on Company letterhead.

3.2. Annual Report

The Company's annual report is prepared in accordance with Serial: II-17.1 "Corporate Governance Communiqué" Corporate Governance Principles and the matters specified in the legislation in detail to ensure that shareholders and the public have full and accurate information about the Company's activities. All necessary precautions have been taken to prevent the use of insider information, and information about directors who are in a position where they can have access to information that may affect the value of our Company's capital market instruments and other persons/organizations they procure services from is notified to respective organizations in accordance with the legislation in force and is published on the company's website.

SECTION IV
STAKEHOLDERS

4.1. Informing Stakeholders

Our company's "Information Policy" is conducted within the framework of the rules determined by legal regulations, CMB legislation and issued communiqués. The Company prepared a written document on public disclosure and information and the document in question was approved by the Board of Directors and published on the Public Disclosure Platform on 2/6/2019 and announced to the shareholders and the public and published on the Company's website. The Board of Directors is authorized with regard to creation of the information policy of our Company and regarding any changes in the policy. Changes to the policy and the information policy are published on the company's website following the approval of the Board of Directors. Investor Relations Management Office is responsible for conducting the information policy. Moreover, it has been adopted as a fundamental principle that any information disclosed to the public should be communicated to the person concerned as soon as possible upon demand. Written or verbal notification is made if there is a request for information from shareholders. In case of significant developments to be announced to the public during the year, the necessary special case statements are also made in timely manner. Our annual report is prepared in such detail to ensure that the public has access to any information about the Company's activities.

Special Case Statements

Our Company issued 23 special case statements in January-December 2020 pursuant to CMB regulations. The aforementioned Special Case Statements can also be accessed via PDP (Public Disclosure Platform) and our Company's website. There is no special case statement that has not been made by our company in due time. No additional statement request has been received from the Capital Markets Board for the Special Case Statements made by our company. In cases where the rights of the stakeholders are not regulated by legislation or contract, the interests of the stakeholders are protected within the framework of goodwill rules and to the extent the company can afford, taking into account the reputation of the Company.

Moreover, company employees are provided with access to circulars and announcements through the internal internet portal, and some important announcements are instantly communicated to all employees by e-mail.

There are no practices that make it difficult for stakeholders to communicate with the Corporate Governance Committee or the Committee in Charge of Audit regarding any procedures of the Company that are against the legislation or ethically inappropriate. All stakeholders can reach these committees by any method of communication of their choice.

Moreover, the Ethics Notification Line (0216 524 34 24) and e-mail address etik.bildirim@yildizholding.com.tr where our stakeholders can report any breaches of ethics can be found on the Investor Relations website.
Also, all feedback on both general and ethical matters can be shared through Yıldız Holding Customer Relations Center by calling 0212 576 33 00 or sending an e-mail to mim@yildizholding.com.tr.

4.2. Stakeholders' Participation in Management

According to our articles of association, the Board of Directors consists of at least 5 members and these members are elected by the General Assembly with the proposal of various shareholders in accordance with the provisions of the articles of association. The Board of Directors consists of 8 members, 3 of whom are independent members. There are no works on the participation of stakeholders in the management.

4.3. Human Resources Policy

The basic policy of human resources is to build a team with high performance through improvement and development efforts to human resources based on what has been done so far. The human resources policy adopted by our company generally comprises the policies adopted by Yıldız Holding and these policies are available at www.bizimtoptan.com.tr. Relations between our company and its employees are conducted through Human Resources Management Directorate. To date, there have been no complaints about discrimination against the human resources policy implemented by our company. The Company believes that the value given to education and maintaining high quality is important for long-term success. For this purpose, continuous improvement of employees is among the main principles of the company. Our company announces its job descriptions and distribution, performance and reward criteria to its employees through Human Resources Management Directorate.

Our policy as Human Resources;

- Conduct environmental opportunity and areas of improvement analyses and contribute to our organization's strategies,
- Analyze the present and future needs of the organization in order to achieve the strategic objectives of the organization; to design the organization that is most suitable for these needs and to build systems to develop human resources,
- To structure Bizim Toptan Satış Mağazaları A.Ş. strategies to ensure sustainable quality, reputation and sectoral leadership with a customer satisfaction

approach that will raise the standards in the field in which it operates (retailing / Cash and Carry) and to be one of the companies in Turkey where people want to work the most,

- To increase the level of satisfaction and motivation of the employees by acting with the awareness that it is people that makes the difference in a competitive environment, to continuously improve commitment to the company and cooperation between employees and to move competitiveness forward,
- To improve our human resources and our business with constant training,
- It is based on maintaining our "Happy Employees, Happy Customers" approach.

4.4. Ethical Rules and Social Responsibility

The ethical rules adopted by our company are available on our website. As Bizim Toptan, we have been a company, ever since our foundation, that respects its employees, the rights of its partners, shareholders, suppliers and customers, is committed to the law, attaches importance to community values, assumes social responsibility, adopts and strives to develop principles of management that are based on utmost love and respect, cooperation, high work performance, honesty, consistency, trust and responsibility among directors-employees-suppliers-customers. Furthermore, our Company pays utmost attention to implementing policies that respect and support the environment, sports, education and public health.

PART V
BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

Our Board of Directors consists of 7 members, 3 of them independent. There are members of the Board of Directors who are in charge of execution and those who are not. The majority of board members consist of non-executive directors. Among the non-executive board members, there are independent members who meet all the criteria determined by the regulations of the Capital Markets Board and who are capable of performing their duties without being under any influence, who can follow through the operation of the company activities and allocate time to the extent that they can fully fulfill the requirements of the duties they undertake in the company affairs. Chairman of Board of Directors and Chief Executive Officer are not the same person. The Chief Executive Officer of the Company is Hüseyin Balcı.

Name, Last Name	Position	Date of Appointment	Term of Duty	Executive
Cengiz Solakoğlu	Chairman of Board of Directors	July 13, 2020	3 years	Non-Executive
Mehmet Tütüncü	Deputy Chairman of Board of Directors	July 13, 2020	3 years	Executive
Ali Ülker	Member of Board of Directors	July 13, 2020	3 years	Non-Executive
Erman Kalkandelen	Member of Board of Directors	July 13, 2020	3 years	Non-Executive
Fatma Füsun Akkal Bozok	Independent Member of Board of Directors	July 13, 2020	3 years	Non-Executive
Ahmet Bal	Independent Member of Board of Directors	July 13, 2020	3 years	Non-Executive
Ömer Faruk Sevgili	Independent Member of Board of Directors	July 13, 2020	3 years	Non-Executive

Ms. Fatma Füsun Akkal Bozok, Mr. Ahmet Bal and Mr. Ömer Faruk Sevgili serve at the Board of Directors in the capacity of independent members. As of 12/31/2020, information about our members of board of directors is as follows.

BACKGROUND OF BOARD OF DIRECTORS

CENGİZ SOLAKOĞLU
Chairman of Board of Directors

Cengiz Solakoğlu graduated from Istanbul Academy of Economic and Commercial Sciences in 1964. He began to work as a salesman at Beko Ticaret A.Ş. in 1967 and became the General Manager of the Company in 1977. He held this position until 1983, when he became the General Manager of Atılım Company, which also belonged to Koç Group. During this 8-year office, he led the works on "Restructuring and strengthening Arçelik Authorized Dealer System". He was appointed Vice President of Koç Holding Consumption Group in 1991 and President of Consumption Group in 1994. Solakoğlu, who also served as a Member of the Group Executive Board between 1996 and 1998, was appointed as the Chairman of Koç Holding Consumer Durables Group in 2002 and retired from Koç Group in 2004 due to 60 years of age principle. He had worked in Koç Group for 38 years without interruption. In addition to Bizim Toptan, Solakoğlu is a member of the Board of Directors and serves as Chairman of the Board of Directors in Şok Marketler A.Ş., one of Yıldız Holding's retail sector companies. Cengiz Solakoğlu is one of the founders of 1907 Fenerbahçeliler Association and Education Volunteers Foundation, and was chosen the Leader of Civil Society by Economist journal in 2003.

MEHMET TÜTÜNCÜ
Deputy Chairman of Board of Directors

Born in 1958, he received his master's degree in Industrial and Organizational Psychology and completed his bachelor's degree in Mechanical Engineering. He has attended several training courses in many different areas throughout his professional career. In 1987, he took a training course in Business Management for 6 months in Italy on an IRI Scholarship. He has attended a training course in Strategic Marketing at Harvard Business School and IMD Switzerland. Also, he completed the Insead program in Singapore. Between 1983 and 1987 he worked at the Ministry of Industry and Trade, and from 1987 to 1996, he held various positions in Best Rothmans Entegre Sigara ve Tütün Sanayi A.Ş, such as General Manager. In 1996, Mehmet Tütüncü joined Ülker Gıda A.Ş. and served as a business coordinator until 1998. Following, he worked as General Manager and Vice President of the Ülker Group. In May 2005, he was appointed as Yıldız Holding A.Ş.'s Food Group President. In 2011 he was appointed as the Food-Ülker Group President and in 2014, he had additional responsibility as International Food-Ülker Group President. In 2016, he was appointed as pladis Region CEO, Turkey, Middle East, North Africa and Central Asia. He continues to serve as Deputy to the pladis CEO (responsible for TR, ME, NA, CA, SA, LATAM) and Executive Corporate Officer (Information Systems & Business Transformation) with additional responsibilities he took in 2017. In 2018, he was appointed as Vice Chairman and CEO of Yıldız Holding. Additionally, he serves as a Board Member and Chairman of the Board at several companies. He is also the Board Member of FoodDrinkEurope & President of the Liaison Committee of FoodDrinkEurope.

ALİ ÜLKER
Member of Board of Directors

Ali Ülker was born in 1969 and educated in the Business Administration Department of the Faculty of Economics and Administrative Sciences at Boğaziçi University, Istanbul. He has also attended various programs at IMD and Harvard. He worked in the Internal Kaizen Projects at De Boccard & Yorke Consultancy (1992) and on IESC Sales System Development and Internal Organization Projects (1997). Mr Ülker joined the group in 1985 as an intern in the Quality Control Department of Ülker Gıda. From 1986 to 1998 he worked at chocolate production facilities and at Atlas Gıda Pazarlama in positions including Sales Manager, Sales Coordinator, Product Group Coordinator, and Product Group Director. In 1998 Mr Ülker became General Director of Atlas Gıda Pazarlama, and in 2001 became the General Director of Merkez Gıda Pazarlama. In 2002, he rose to Vice Chairman of the Food Group and in 2005 Chairman of the Group. After worked as Vice Chairman of the Yıldız Holding Board of Directors for nine years, as of January 29, 2020 Ali Ülker became the Chairman of Yıldız Holding. Ali Ülker is married with three children. He enjoys fishing, cinema and literature, as well as playing basketball and billiards.

ERMAN KALKANDELEN
Member of Board of Directors

Erman Kalkandelen is the Country Manager In Charge of Research for Turkey, Middle East and Eastern Europe companies of Franklin Templeton Investments. He is the CEO of Franklin Templeton Türkiye Danışmanlık A.Ş. Turkey. He works in the boards of directors of Kalkandelen, Defacto Perakende Ticaret A.Ş, Şok Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş., working on Developing Markets, Small Companies and Turkish Stocks products. Kalkandelen graduated from Ankara University Faculty of Political Sciences, Department of Labor Economics with a high honor degree. He then graduated with honors from Sabancı University Master's Degree in Business Administration (MBA) program and went through a period of specialization on strategic management at the University of Florida Warrington College of Business Administration during his MBA training.

FATMA FÜSUN AKKAL BOZOK
Independent Member of Board of Directors

Fatma Füsun Akkal Bozok completed her academic education with a master's degree from Boğaziçi University, Faculty of Administrative Sciences and a doctorate degree from Istanbul University, Faculty of Business Administration. After graduation, she started working at Arthur Andersen Audit Company in 1980. She joined Koç Group in 1983 and worked as Audit Expert and Assistant Coordinator in Audit and Financial Group department within the organization of the Holding. She was appointed as Audit and Financial Group Coordinator in 1992 and held office for 11 years. Having worked as Director of Financing Group between 2003-2006, Akkal served as a Member of Board of Directors of Yapı Kredi Bank between 2004-2019. She is currently an independent member of board of directors of Ford-Otosan, Tat Gıda, Akiş GYO, İzocam and Gözde companies. Akkal taught Auditing and International Accounting courses as lecturer at Sabancı University in 2008-2020, and is member to TKYD, TİDE, Expert Accountants' Association of Turkey and Boğaziçi Alumni Association.

AHMET BAL
Independent Member of Board of Directors

Born in Tokat in 1957, Ahmet Bal graduated from Ankara University Faculty of Political Sciences, Department of Economics and Finance and joined the Board of Accounting Experts of the Ministry of Finance. Ahmet Bal received the title of Chief Accounting Expert and Certified Public Accountant in 1991, did his master's degree (MBA) in Business Administration at Nottingham University in England in 1992 and began to work as Assistant Financial Affairs Coordinator at Anadolu Endüstri Holding in 1994. He worked as Finance Director of Efes Sınai Yatırım Ticaret A.Ş. in charge of Anadolu Group Overseas Coca-Cola operations between 1995 and 1998, General Manager of Efes Sınai Yatırım Holding A.Ş. between 1998 and 1999, and as Financial Affairs Coordinator in charge of Automotive, Finance and Stationery Companies at Anadolu Endüstri Holding Department of Financial Affairs between 1999 and 2006. Between 2006 and 2012, he served as Audit Coordinator in charge of Group Companies at Anadolu Endüstri Holding. Ahmet Bal served as Head of Audit Responsible for the Audit of Anadolu Group Companies between 2013 and 2018, and is married and has two children. Apart from Bizim Toptan, Ahmet Bal serves as an Independent Member of Board of Directors of Şok Marketler A.Ş. and Ülker Bisküvi Sanayi A.Ş.

ÖMER FARUK SEVGİLİ
Independent Member of Board of Directors

Ömer Faruk Sevgili was born in Siirt in 1968, received his high school education in Siirt High School, and he graduated from Istanbul University, Faculty of Law. (1991) He began to work as a freelance lawyer under the Istanbul Bar Association. (1994) Subsequently, after working as Bakırköy Municipality Legal Advisor, İzmir Çiğli Air Base Disciplinary Officer, and as a lawyer and legal advisor at Turkey Ship Industry Joint Stock Company respectively, he continues to work as a freelance lawyer under Ankara Bar Association. He assumed roles such as KÖY-TEKS Holding Board Membership, TÜPRAŞ Supervisory Board Membership, Bicycle Federation Disciplinary Board membership, TÜKÇEV board of trustees and board of directors membership. He began his profession as a lawyer in 1994 and he currently continues that profession under Mizan Hukuk ve Danışmanlık. He is married and has two children. He speaks Arabic. The statement of independence of independent members of Board of Directors is on pages 94-96 of the report. Bendevi Palandöken, who was elected as a member of the Board of Directors on July 13, 2020, resigned and the public was informed with the statement on the Public Disclosure Platform on February 19, 2021.

5.2. Operating Principles of the Board of Directors

Our Board of Directors met 5 times in the year of January-December 2020 and passed 34 resolutions. Attention is paid to determine the meeting dates of the Board of Directors in a way that will allow the participation of all our members. The average attendance rate of Board Members in meetings is 75%. According to the Articles of Association of the Company, the Board of Directors meets when required for the activities of the Company. All members must be notified in writing at least 3 calendar days before the planned meeting date and the meeting agenda must be specified in this notification. Any member of the Board of Directors may request the Chairman of the Board of Directors or the Deputy Chairman of the Board of Directors to call the Board of Directors to a meeting, in which case the Chairman of the Board of Directors is required to call the Board of Directors to meeting. Pursuant to Article 390/4 of the Turkish Commercial Code, decisions of the Board of Directors may also be made with one more than half the total number of members without holding a meeting, provided that the proposal made in writing by one of the members is submitted to each Board member and no member requests a meeting for this proposal. Board meetings can be held at the head office of the company or in an appropriate place of the city where the head office is located, or in another city with the decision of the Board of Directors. Members of the Board of Directors determine whether they will make an assignment of duties with a decision to be made among themselves. It is essential that the members of the Board of Directors attend the meeting in person. Opinions of the member who did not attend the meeting but stated their views in writing are presented to the other members.

Meetings and decisions of the Board of Directors have to be recorded in the minutes of the meeting to be attached to the decision book and signed by the attendants of the meeting. Members who cast negative votes must state their reasons and sign the minutes.

The Board of Directors meets with the attendance of at least one more than half of its members and makes its decisions with a majority of votes of participating members. In case of equality of votes, the matter subject to vote is placed on the agenda of the next meeting, and if a majority of votes cannot be obtained at this meeting either, the proposal is deemed rejected. Each member of the Board of Directors shall have one vote, regardless of his or her position and duties. The powers and responsibilities of the members and managers of the Board of Directors are explicitly mentioned in the Articles of Association of the Company at www.bizimtoptan.com.tr and on the Public Disclosure Platform. Our Board of Directors uses its powers in a prudent manner and within the framework of goodwill rules, with all the information needed to ensure that it can fulfill its duties. In the meetings held during the activity period of 2020, no different opinion was expressed against the decisions made by the members of the Board of Directors. Important decisions on matters that need to be shared with the public were made public immediately after the meeting.

5.3. Number, Structure and Independence of the Committees Established in the Board of Directors

At its meeting on 7/28/2020, our Board of Directors made the following decisions.

1. In accordance with the Corporate Governance Communiqué Serial: II N17.1 of the Capital Markets Board, it was decided that Fatma Füsun Akkal BOZOK shall be elected the Chairperson of the Audit Committee and Ahmet BAL shall be elected the Committee Member.
2. It was decided that Fatma Fusun Akkal BOZOK shall be elected the Chairperson of the Corporate Governance Committee and Cengiz SOLAKOĞLU and Işıl BÜK shall be elected Committee Members.
3. It was decided that Ömer Faruk SEVGİLİ shall be elected the Chairman of the Early Risk Detection Committee and Cengiz SOLAKOĞLU shall be elected the Committee Member.

Board of Directors

Name, Last Name	Position	Qualification
Cengiz Solakoğlu	Chairman of Board of Directors	Member of Board of Directors in Group Companies
Mehmet Tütüncü	Deputy Chairman of Board of Directors	Member of Board of Directors in Group Companies
Ali Ülker	Member of Board of Directors	Member of Board of Directors in Group Companies
Erman Kalkandelen	Member of Board of Directors	Member of Board of Directors in Group Companies - Franklin Templeton Türkiye Danışmanlık A.Ş. Country Manager
Fatma Füsun Akkal Bozok	Independent Member of Board of Directors	Member of Board of Directors in Group / Non-Group Companies
Ahmet Bal	Independent Member of Board of Directors	Member of Board of Directors in Group / Non-Group Companies
Ömer Faruk Sevgili	Independent Member of Board of Directors	Attorney

4. In accordance with the structure of the Board of Directors, it was decided not to establish a separate Nomination Committee and Fee Committee, and instead the Corporate Governance Committee to fulfill these committees' duties and to make these decisions public.

Audit Committee

The Audit Committee is responsible for taking all necessary measures to carry out all kinds of internal and independent audits in an adequate and transparent manner and is in particular responsible for the following matters:

- Conducting research for choosing an independent audit company, submitting it to the Board of Directors after pre-approval,
- Auditing and approving the compliance of the financial statements and notes to be made public with the legislation and international accounting standards,
- Supervision of the operation and effectiveness of the company accounting system, disclosure of financial information to the public, independent audit and the internal control system of the company,
- Examination and finalization of complaints related to company accounting, internal control system and independent audit.
- The Audit Committee holds meetings at the invitation of the chairperson of the committee at least every three months. It may invite the managers, internal and independent auditors whom it deems necessary to meetings and obtain information. The chairperson and members of the audit committee are elected from among the members of the independent Board of Directors.
- Due to the structure of the Board of Directors and the number of independent members, some members of the Board of Directors take part in more than one committee.
- The Audit Committee held 4 meetings in 2020.

Members of the Audit Committee as of 12/31/2020 are shown in the table below.

Audit Committee Members

Name, Last Name	Position	Qualification
Fatma Füsun Akkal Bozok	Audit Committee Chairwoman	Independent Member of Board of Directors, Non-Executive
Ahmet Bal	Audit Committee Member	Independent Member of Board of Directors, Non-Executive

Corporate Governance Committee

- The Corporate Governance Committee is responsible for monitoring the Company's compliance with corporate governance principles and is especially responsible for investigating the extent to which corporate governance principles are implemented in the Company, and if they are not implemented, identifying why, and identifying the problems that occur due to lack of full implementation and suggesting remedial measures. It also supports the Board of Directors by conducting works on fee, reward and performance evaluation, career planning, investor relations and public disclosure.
- The Corporate Governance Committee consists of at least two (2) members. When necessary, persons who are not members of Board of Directors and who are experts in their field can also be appointed as members of the Corporate Governance Committee. At least one member of the Corporate Governance Committee is elected from among the independent members of the Board of Directors who are not in

charge of execution. The Committee holds meetings at least every 3 months.

- The Corporate Governance Committee held 5 meetings in 2020. Members of the Corporate Governance Committee as of 12/31/2020 are shown in the table below.
- With the decision of the Board of Directors dated July 28, 2020, it was decided that the Corporate Governance Committee should also fulfill the duties of the Nomination and Fee Committees.
- Due to the structure of the Board of Directors and the number of independent members, some members of the Board of Directors take part in more than one committee.

Corporate Governance Committee Members

Name, Last Name	Position	Qualification
Fatma Füsun Akkal Bozok	Chairwoman of Corporate Governance Committee	Independent Member of Board of Directors, Non-Executive
Cengiz Solakoğlu	Member of Corporate Governance Committee	Chairman of Board of Directors, Non-Executive
Işıl Bük	Member of Corporate Governance Committee	Senior Manager of Investor Relations

Early Risk Detection Committee

The early risk detection committee is responsible for early detection of risks that may jeopardize the existence, development and continuation of the company, taking the necessary measures regarding the identified risks and conducting works to manage the risk, and reviews the risk management systems at least once a year. The Early Risk Detection Committee held 6 meetings in 2020. Members of the Risk Early Detection Committee as of 12/31/2020 are shown in the table below.

Early Risk Detection Committee Members

Name, Last Name	Position	Qualification
Ömer Faruk Sevgili	Chairman of Early Risk Detection Committee	Independent Member of Board of Directors, Non-Executive
Cengiz Solakoğlu	Member of Early Risk Detection Committee	Chairman of Board of Directors, Non-Executive

Due to the structure of the Board of Directors and the number of independent members, some members of the Board of Directors take part in more than one committee.

5.4. Risk Management and Internal Control Mechanism

The risk management activities of our company are carried out by the Early Risk Detection Committee.
In addition, an Internal Audit Directorate has been established to work within our company. Our company is regularly audited by the auditing units of its main partner Yıldız Holding A.Ş. and the independent auditing organization. Findings obtained from these audits are reported to other board members together with the committee members responsible for the audit.
Our company's workflows, procedures, powers and responsibilities of our employees have been taken under control within the framework of risk management and have been subject to continuous audit.
In addition, there is no case filed against our Company that can significantly affect the financial status and activities of our Company and especially the operation of our Company in its main line of business.

5.5. Strategic Goals of the Company

Our company and all companies affiliated with Yıldız Holding were established with the belief that "every person has the right to have a good childhood, no matter which country they live in". Bizim Toptan's vision is "to be the number one wholesaler of Turkey with its widespread, modern and reliable concept in the fast-moving consumer goods industry". Our mission is "to be a strategic business partner that reduces the costs and risks of customers and suppliers and provides them with a competitive advantage".

The publicly announced vision and mission of Yıldız Holding and our Company can be viewed at www.yildizholding.com.tr and www.bizimtoptan.com.tr / www.biziminvestorrelations.com.

The Board of Directors of the Company convened as often as necessary in 2020 and closely monitored the Company's performance and will continue to do so.

5.6. Tangible Rights

The fees of the members of the Board of Directors are determined separately for each of them by the General Assembly according to the financial status of the Company. The fees paid to Independent Members of the Board of Directors were set at the Ordinary General Assembly Meeting of our Company on July 13, 2020. No fee is paid to members of the board of directors other than independent members.

In 2020, the total amount of benefits provided to members of the Board of Directors and senior management staff was TL 8,095,801. No director or member of Board of Directors was given any loan during the year, no credit was granted directly or through a third person under the name of personal loan, and no guarantees such as bail were given in their favor. The Remuneration Policy, setting out the remuneration principles of the Board of Directors and executives as presented to the shareholders at the Ordinary General Assembly Meeting on May 29, 2012, is as follows. The policy was published on the Company's website and on the Public Disclosure Platform (PDP).

"The remuneration principles regarding the members of the Board of Directors and executives aim to manage and execute the rights to be provided to members of the Board of Directors and executives taking into account the long-term objectives and performance of the Company in accordance with the Capital Market Board and the Turkish Commercial Code legislation. The fees of members of the Board of Directors are determined as monthly gross fees taking into account the opinions of the relevant committee and are presented to the approval of the General Assembly. It is essential that the salaries of the independent members of the Board of Directors are at a level that will maintain their independence. Stock options or payment plans based on Company performance are not used in the remuneration of independent members of the Board of Directors. The salaries of executives and the benefits to be provided to them are determined in accordance with the strategies and policies of the company in accordance with the equivalent business conditions, taking into account their duties, responsibilities, experience and performance indicators in the Company. All fees paid and all other benefits provided are disclosed to the public through the annual report. In addition to the fixed monthly fees set within the scope of these principles for the executives and members of the Board of Directors, it is also possible to provide benefits and performance-based premiums to serve the long-term performance of the Company. The policy regarding the remuneration principles for the members of the Board of Directors and executives and the amendments made in said policy are first approved by the Board of Directors and then are submitted to the General Assembly and are made public on the Company's website".

Statement of Independence

I was elected "independent member" to the Board of Directors of Bizim Toptan Satış Mağazaları Anonim Şirketi (the "Company") in the Ordinary General Assembly Meeting of July 13, 2020 within the scope of the criteria set out in the Corporate Governance Principles set forth in the Corporate Governance Communiqué (II-17.1) of the Capital Markets Board issued and enacted in the Official Gazette dated January 3, 2014 and numbered 28871, the legislation and the articles of association. In this regard, I declare to the knowledge of the Board of Directors, the General Assembly, our shareholders and all stakeholders that;
There has been no employment relationship between the company, partnerships where the company has control or significant influence, partners who control the company and have significant influence on the company, the legal entities controlled by said partners, and me, my spouse, my blood or marriage relatives up to second degree, in the executive position to undertake important duties and responsibilities in the last five years, that neither I nor said persons jointly or individually own more than 5% of the capital or voting rights or privileged shares and that no commercial relationship of significant nature has been established,

In the last five years, I have not worked as a partner (5% or more) or as a director undertaking important duties and responsibilities or as a member of board of directors in the companies from whom or to whom the Company purchases or sells services or products to a significant extent within the framework of the agreements made, notably the companies that audit, grade or advise the company, during the periods when said services or products were procured or sold,

I have the vocational training, knowledge and experience to fulfill the duties I will undertake as an independent member of board of directors, that I will not work full-time in public institutions and organizations, and that I am deemed to be resident in Turkey according to the Income Tax Law dated 12/31/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience, whereby I can make positive contributions to the activities of the company, maintain my impartiality in conflicts of interest between the company and shareholders, and make free decisions considering the rights of the stakeholders,

I can devote time to Company affairs to the extent that I can monitor the operation of the company activities and fulfill the requirements of the duties that I undertake,

I have not been a member of the board of directors of the company for more than six years in the last ten years,

I do not serve as an independent member of the board of directors in more than three of the companies controlled by the company or by partners who control the company and in more than five of the companies traded on the stock exchange in total,

I have not been registered and announced under the name of the legal entity elected as Member of Board of Directors.

Fatma Füsun Akkal Bozok

I was elected "independent member" to the Board of Directors of Bizim Toptan Satış Mağazaları Anonim Şirketi (the "Company") in the Ordinary General Assembly Meeting of July 13, 2020 within the scope of the criteria set out in the Corporate Governance Principles set forth in the Corporate Governance Communiqué (II-17.1) of the Capital Markets Board issued and enacted in the Official Gazette dated January 3, 2014 and numbered 28871, the legislation and the articles of association. In this regard I declare to the knowledge of the Board of Directors, the General Assembly, our shareholders and all stakeholders, that;

There has been no employment relationship between the company, partnerships where the company has control or significant influence, partners who control the company and have significant influence on the company, the legal entities controlled by said partners, and me, my spouse, my blood or marriage relatives up to second degree, in the executive position to undertake important duties and responsibilities in the last five years, that neither I nor said persons jointly or individually own more than 5% of the capital or voting rights or privileged shares and that no commercial relationship of significant nature has been established,

In the last five years, I have not worked as a partner (5% or more) or as a director undertaking important duties and responsibilities or as a member of board of directors in the companies from whom or to whom the Company purchases or sells services or products to a significant extent within the framework of the agreements made, notably the companies that audit, grade or advise the company, during the periods when said services or products were procured or sold,

I have the vocational training, knowledge and experience to fulfill the duties I will undertake as an independent member of board of directors, that I will not work full-time in public institutions and organizations, and that I am deemed to be resident in Turkey according to the Income Tax Law dated 12/31/1960 and numbered 193,

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I do not serve as an independent member of the board of directors in more than three of the companies controlled by the company or by partners who control the company and in more than five of the companies traded on the stock exchange in total,

I have not been registered and announced under the name of the legal entity elected as Member of Board of Directors.

Ahmet Bal

I was elected "independent member" to the Board of Directors of Bizim Toptan Satış Mağazaları Anonim Şirketi (the "Company") in the Ordinary General Assembly Meeting of July 13, 2020 within the scope of the criteria set out in the Corporate Governance Principles set forth in the Corporate Governance Communiqué (II-17.1) of the Capital Markets Board issued and enacted in the Official Gazette dated January 3, 2014 and numbered 28871, the legislation and the articles of association. In this regard, I declare to the knowledge of the Board of Directors, the General Assembly, our shareholders and all stakeholders, that;

There has been no employment relationship between the company, partnerships where the company has control or significant influence, partners who control the company and have significant influence on the company, the legal entities controlled by said partners, and me, my spouse, my blood or marriage relatives up to second degree, in the executive position to undertake important duties and responsibilities in the last five years, that neither I nor said persons jointly or individually own more than 5% of the capital or voting rights or privileged shares and that no commercial relationship of significant nature has been established,

In the last five years, I have not worked as a partner (5% or more) or as a director undertaking important duties and responsibilities or as a member of board of directors in the companies from whom or to whom the Company purchases or sells services or products to a significant extent within the framework of the agreements made, notably the companies that audit, grade or advise the company, during the periods when said services or products were procured or sold,

I have the vocational training, knowledge and experience to fulfill the duties I will undertake as an independent member of board of directors, that I will not work full-time in public institutions and organizations, and that I am deemed to be resident in Turkey according to the Income Tax Law dated 12/31/1960 and numbered 193,

I have strong ethical standards, professional reputation and experience, whereby I can make positive contributions to the activities of the company, maintain my impartiality in conflicts of interest between the company and shareholders, and make free decisions considering the rights of the stakeholders,

I can devote time to Company affairs to the extent that I can monitor the operation of the company activities and fulfill the requirements of the duties that I undertake,

I have not been a member of the board of directors of the company for more than six years in the last ten years,

I do not serve as an independent member of the board of directors in more than three of the companies controlled by the company or by partners who control the company and in more than five of the companies traded on the stock exchange in total, and that I have not been registered and announced under the name of the legal entity elected as Member of Board of Directors.

Ömer Faruk Sevgili

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020 AND INDEPENDENT AUDITOR'S REPORT

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BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 AND 31 DECEMBER 2019
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

ASSETS	**Notes**	**Current Period** 31 December 2020	**Prior Period** 31 December 2019
Current Assets		**1,053,216,758**	**767,898,691**
Cash and Cash Equivalents	3	500,788,478	402,750,436
Trade Receivables		95,999,699	62,616,154
Due from Related Parties	*5, 23*	*2,751,396*	*492,269*
Due from Non-Related Parties	*5*	*93,248,303*	*62,123,885*
Other Receivables		239,758	-
Other Receivables from Non-Related Parties	*6*	*239,758*	-
Inventories	7	437,496,239	296,428,554
Prepaid Expenses	8	18,688,379	6,103,547
Other Current Assets	13	4,205	-
Non-Current Assets		**466,864,539**	**372,747,905**
Other Receivables		3,176,823	2,416,405
Other Receivables from Non-Related Parties	*6*	*3,176,823*	*2,416,405*
Tangible Assets	9	240,562,609	174,410,656
Right of Use Assets	9	184,142,650	156,955,212
Intangible Assets	10	34,859,528	38,323,354
Prepaid Expenses	8	383,556	504,483
Deferred Tax Assets	21	3,739,373	137,795
TOTAL ASSETS		**1,520,081,297**	**1,140,646,596**

The accompanying notes, are an integral part of these consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 AND 31 DECEMBER 2019
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

LIABILITIES	**Notes**	**Current Period 31 December 2020**	**Prior Period 31 December 2019**
Current Liabilities		**1.198.545.780**	**860.710.332**
Short-term Borrowings	4	70,982,812	57,312,498
Financial Lease Obligations	*4*	*3,777,061*	*5,747,350*
Lease Liabilities due to Related Parties	*4*	*223,969*	*190,400*
Lease Liabilities due to Non-Related Parties	*4*	*66,981,782*	*51,374,748*
Trade Payables		1,055,609,416	751,694,665
Due to Related Parties	*5, 23*	*229,915,919*	*150,930,750*
Due to Non-Related Parties	*5*	*825,693,497*	*600,763,915*
Liabilities for Employee Benefits	12	14,492,875	13,237,201
Liabilities for Employee Benefits	*8*	*6,822,996*	*1,702,749*
Deferred Tax Liabilities	*21*	*6,635,160*	*585,700*
Short-term Provisions		32,767,388	28,858,145
Provision for Employee Benefits	*12*	*13,914,751*	*11,717,973*
Other Short-term Provisions	*11*	*18,852,637*	*17,140,172*
Other Current Liabilities		11,235,133	7,319,374
Other Current Liabilities to Related Parties	*13*	*24,500*	*14,000*
Other Current Liabilities to Non-Related Parties	*13*	*11,210,633*	*7,305,374*
Non-Current Liabilities		**168,842,754**	**138,660,706**
Long-term Borrowings	4	137,193,390	115,096,854
Financial Lease Obligations	*4*	*1,978,022*	*3,385,965*
Lease Liabilities due to Related Parties	*4*	*651,319*	*579,441*
Lease Liabilities due to Non-Related Parties	*4*	*134,564,049*	*111,131,448*
Long-term Provisions		31,207,744	22,592,289
Provision for Employee Benefits	*12*	*31,207,744*	*22,592,289*
Deferred Revenue	8	441,620	971,563
EQUITY		**152,692,763**	**141,275,558**
Shareholders' Equity		**152,692,763**	**141,275,558**
Share Capital	14	60,000,000	60,000,000
Advance of Capital		-	13,570,500
Treasury shares		(13,533,492)	(13,533,492)
Other Comprehensive /Expense Not to Be Reclassified Subsequently to Profit or Loss		(21,965,778)	(17,034,648)
Actuarial Losses		*(21,965,778)*	*(17,034,648)*
Defined benefit plans re-measurement Gains/(Losses)	14	(21,965,778)	(17,034,648)
Restricted Reserves Appropriated from Profits	14	12,706,557	12,179,669
Retained Earnings		77,297,757	53,017,994
Net Profit for the Year	14	38,188,391	33,075,535
Non-Controlling Interest		(672)	-
Total Liabilities		**1,520,081,297**	**1,140,646,596**

The accompanying notes, are an integral part of these consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2020 AND 2019
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

PROFIT OR LOSS	**Notes**	**Current Period 31 December 2020**	**Prior Period 31 December 2019**
Revenue	15	5,361,820,597	4,520,672,511
Cost of Sales (-)	15	(4,780,180,603)	(4,005,212,864)
GROSS PROFIT		**581,639,994**	**515,459,647**
Marketing, Selling and Distribution Expenses (-)	16, 17	(342,210,630)	(274,164,024)
General Administrative Expenses (-)	16, 17	(63,365,580)	(49,025,757)
Other Income from Operating Activities	18	15,915,693	18,898,955
Other Expenses from Operating Activities (-)	18	(97,692,568)	(132,238,164)
OPERATING PROFIT		**94,286,909**	**78,930,657**
Income from Investing Activities	19	47,328,621	74,358,011
Expense from Investing Activities (-)	19	(2,236,573)	(2,556,911)
PROFIT BEFORE FINANCE EXPENSES		**139,378,957**	**150,731,757**
Financial Expenses (-)	20	(90,817,753)	(109,171,640)
Profit Before Tax		**48,561,204**	**41,560,117**
Tax Income From Continued Operations		**(10,378,485)**	**(8,484,582)**
Current Tax Expense	21	(12,747,281)	(9,112,087)
Deferred Tax Income/(Expense)	21	2,368,796	627,505
NET PROFIT FOR THE YEAR		**38,182,719**	**33,075,535**
Net-loss attributable to			
Non-controlling interest		(5,672)	-
Equity holders of parent		38,188,391	33,075,535
Earnings per share (TRY)	22	0,649	0,562
OTHER COMPREHENSIVE EXPENSE		**(4,931,130)**	**(5,349,978)**
Items not to be reclassified to profit or loss		(4,931,130)	(5,349,978)
Defined benefit plans re-measurement losses	14	(6,163,912)	(6,687,473)
Items not to be reclassified to profit or loss taxes for other comprehensive income	21	1,232,782	1,337,495
Deferred tax income	21	1,232,782	1,337,495
TOTAL COMPREHENSIVE INCOME		**33,251,589**	**27,725,557**
Distribution of total other comprehensive income			
Non-controlling interest		(5,672)	-
Equity holders of parent		33,257,261	27,725,557

The accompanying notes, are an integral part of these consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2020 AND 2019
(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

						Other Comprehensive Income/Expense not to Reclassified to Profit or Loss	Retained Earning				
						Revaluation and Remeasurement Gain/Loss					
	Notes	Share Capital	Restricted Reserves Appropriated from Profits	Treasury Shares	Advance of Capital	Actuarial Loss of Provision of Termination Indemnity	Retained Earnings	Net Profit for Period	Shareholder's equity	Non-controlling interest	Total Equity
Balances at 1 January 2019		**60,000,000**	**10,037,476**	**(13,533,492)**	**13,570,500**	**(11,684,670)**	**43,822,691**	**21,637,496**	**123,850,001**	**-**	**123,850,001**
Transfers	14	-	2,142,193	-	-	-	19,495,303	(21,637,496)	-	-	-
Dividends paid	14	-	-	-	-	-	(10,300,000)	-	(10,300,000)	-	(10,300,000)
Total comprehensive income	14	-	-	-	-	(5,349,978)	-	33,075,535	27,725,557	-	27,725,557
Balances at 31 December 2019		**60,000,000**	**12,179,669**	**(13,533,492)**	**13,570,500**	**(17,034,648)**	**53,017,994**	**33,075,535**	**141,275,558**	**-**	**141,275,558**
Balances at 1 January 2020		**60,000,000**	**12,179,669**	**(13,533,492)**	**13,570,500**	**(17,034,648)**	**53,017,994**	**33,075,535**	**141,275,558**	**-**	**141,275,558**
Transfers	14	-	526,888	-	-	-	32,548,647	(33,075,535)	-	-	-
Acquisition of subsidiary		-	-	-	-	-	-	-	-	5,000	5,000
Dividends paid (*)	14	-	-	-	-	-	(8,268,884)	-	(8,268,884)	-	(8,268,884)
Other (**)		-	-	-	(13,570,500)	-	-	-	(13,570,500)	-	(13,570,500)
Total comprehensive income	14	-	-	-	-	(4,931,130)	-	38,188,391	33,257,261	(5,672)	33,251,589
Balances at 31 December 2020		**60,000,000**	**12,706,557**	**(13,533,492)**	**-**	**(21,965,778)**	**77,297,757**	**38,188,391**	**152,693,435**	**(672)**	**152,692,763**

(*) The Board of Directors decided to distribute dividend for the year ended 2019 and was approved by the General Assembly held on 13 July 2020 to be paid on 5 October 2020. Profit distribution payment has been made.
(**) The balance obtained from Yildiz Holding and used in share buyback was returned on 19 November 2020, taking into account that the Group does not need working capital.

The accompanying notes, are an integral part of these consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2020 AND 2019
(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Current Period 1 January - 31 December 2020	Prior Period 1 January - 31 December 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		**258,904,712**	**225,661,338**
Net Profit for the period		**38,188,391**	**33,075,535**
Adjustments to reconcile net profit to net cash			
Adjustments for depreciation and amortisation expense	9,10	76,039,609	66,907,548
Adjustments related to provisions	11,12	36,830,388	26,019,007
Provision for impairment of trade receivable allowance	5	390,805	3,843,874
Provision for impairment of inventories	7	5,369,171	(314,165)
Gain on sale of fixed assets, net	19	2,236,573	2,057,023
Adjustment for profit/(loss) reconciliation		(10,629,014)	4,707,282
Other adjustments related to profit/(loss) reconciliation interest	19,20	46,499,329	35,843,460
Adjustment for income tax expense	21	10,378,485	8,484,582
Changes in working capital		**83,711,391**	**77,388,412**
Changes in trade receivables		(33,924,181)	(23,745,993)
Changes in inventories		(146,436,856)	(15,434,646)
(Increase)/decrease in other receivables and current assets		(1,004,381)	222,697
Decrease in other non-current asset		(12,463,905)	4,778,799
Changes in trade payables		274,835,984	104,070,124
Increase/decrease in other payables and current liabilities		2,704,730	7,497,431
Cash generated from operating activities		**289,015,128**	**258,012,558**
Income tax paid	21	(6,697,821)	(8,526,387)
Employee benefits paid	12	(23,412,595)	(23,824,833)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(18,517,836)**	**735,111**
Cash inflows from acquired subsidiary with non-controlling interest		(672)	-
Proceeds from sale of tangible and intangible assets		384,017	(447,793)
Cash outflows of purchases of tangible and intangible assets		(63,219,605)	(72,145,276)
Interest received	19	44,318,424	73,328,180
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(142,348,834)**	**(101,273,514)**
Cash inflows from borrowings		(13,570,500)	55,078,537
Cash inflows for financial lease agreements	4	1,407,676	-
Cash outflows of payment borrowings due from leasing agreements	4	(8,124,024)	(6,607,778)
Cash outflows of payment borrowings due from lease liabilities		(65,728,597)	(30,272,633)
Interest paid	20	(48,064,505)	(109,171,640)
Dividends paid	14	(8,268,884)	(10,300,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**3**	**98,038,042**	**125,122,935**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**3**	**402,750,436**	**277,627,501**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D)	**3**	**500,788,478**	**402,750,436**

The accompanying notes, are an integral part of these consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Bizim Toptan Satış Mağazaları A.Ş. (the "Company"), was established in 2001 and registered in Istanbul in accordance with Turkish Commercial Code. The head office of the Company is located in Kuşbakışı Cad. No.19 Altunizade-Üsküdar/İstanbul.

The main operation of the Company and its subsidiaries ("Group") is to wholesale and retail fast moving consumer goods to catering companies, corporate customers, legal entities and persons who are tax payers, as well as retail outlets such as; small dealers, small markets, canteens

The Group has 173 stores in 70 cities as of 31 December 2020 (31 December 2019: 175 stores in 69 cities). As of 31 December 2020, the number of personnel is 2,451 (31 December 2019: 2,164). The Group has 1,209 franchise shops as of 31 December 2019 (31 December 2019: 801).

The Group's ultimate parent and the party controls the Group is Yıldız Holding A.Ş. The shares of the Group are publicly traded on the İstanbul Stock Exchange Market (ISE) since 3 February 2011.

As of 31 December 2020, the names and percentages of the shareholders of the Group's share capital are as follows;

Name of the Shareholders (*)	(%)	31 December 2020	(%)	31 December 2019
Yıldız Holding A.Ş.	55.19	33,111,291	55.19	33,111,291
Emap Limited	-	-	9.36	5,616,919
Public Quotation	44.81	26,888,709	35.45	21,271,790
	100	**60,000,000**	**100**	**60,000,000**

(*) Organized according to partnership structure and Central Registry Agency data published in KAP.

Subsidiary Company	31 December 2020	31 December 2019
SEÇ Marketçilik A.Ş. (**)	90.00	-

(**) SEÇ Marketçilik A.Ş. in which Bizim Toptan Satış Mağazaları A.Ş. owns 90% of the capital and has a capital of TRY50,000 was registered on 19 August, 2020 and its establishment procedures were completed.

The company and its subsidiary will be referred to as the Group.

Approval of Financial Statements:

The consolidated financial statements have been presented for the approval of the Board of Directors and given authority to publish as of 9 March 2021. General Assembly has the right to change these consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2020
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (CONTINUED)

The Covid-19 Pandemic Management Assessment
The methods of preventing Covid-19 pandemics have started to be placed in the company culture before the first case was seen in our country as of 11 March 2020 and shown their effect on the way of the work even more clearly with the occurrence of cases. As a result of the importance to public health, additional precautions have been taken for employee and customer health from the first day. As we provide the basic needs of both B2B and B2C customers by business line, it has made it necessary to continue the operations during the pandemic period. In addition to complying with the pandemic rules set by public authorities, the concept of serving our customers uninterruptedly and at the most affordable price has been maintained. Shutdown of operations during the period of curfews and the office customers in the out of home consumption sector are closed due to the pandemic are among the negative effects of the Covid-19 pandemic on our company. However, the business model which is successfully implementing the multi-channel sales strategy has enabled us to maintain operations and maintain our financial structure without deviating from our targets even under pandemic conditions.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation

Basis of the Preparation of the Financial Statements and Accounting Policies
The Group and its subsidiaries keep and prepare their legal books and statutory financial statements in accordance with the Turkish Commercial Code ("TCC") and the accounting principles determined by tax legislation.

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations ("TAS/TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

Additionally, the consolidated financial statements and disclosures are presented in accordance with the formats published by CMB and the announcement published by Public Oversight Accounting and Auditing Standards Authority ("POA") on 15 April 2019.

Determination of Functional Currency
Financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the entity is expressed in TRY, which is the functional and presentation currency of the Group.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.1 Basis of the presentation (Continued)

Preparation of Financial Statements in Hyperinflationary Periods:
CMB, with its resolution dated 17 March 2005 and decree no 11/367 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards (TAS/TFRS applications, including those who adopt), effective 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying financial statements TAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied.

Offsetting:
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and set TRY the liability simultaneously.

Principles Regarding Consolidation
(a) Subsidiaries
Subsidiaries are companies controlled by the Group. Control of the group is provided by the exposure to variable returns in these companies, by being entitled to these returns and the power to direct them. Subsidiaries are consolidated by using the full consolidation method from the date that control is transferred to the Group. They are excluded from the scope of consolidation as of the date that control ceases.

Balances arising from intra-group transactions and unrealized losses and gains from transactions with intra-group companies are eliminated.

(b) Changes in the capital share of the Group's current subsidiary
Changes that do not cause loss of control in the capital share of the Group's subsidiaries are accounted for as equity transactions. The book values of the Group's shares and non-controlling shares are adjusted to reflect changes in subsidiary shares. The difference between the corrected amount of non-controlling interests and the fair value of the price received or paid is directly accounted for as the Group's share in equity.

(c) Loss of Subsidiary Control
If the Group loses control of a subsidiary, the profit / loss after the sale is calculated as i) the sum of the sales price received and the fair value of the remaining share, ii) the difference between the assets (including goodwill) and liabilities of the subsidiary and the previous book value of the non-controlling interests. The amounts previously recognized and collected in equity for the subsidiary in other comprehensive income are recorded according to the accounting method to be used on the assumption that the Company has sold the relevant assets (For example, in accordance with the relevant TFRS standards, whether they are transferred to profit / loss or directly transferred to previous year's profits). The fair value at the date of loss of control of the investment remaining after the sale of the subsidiary, as the fair value in the initial accounting specified under TFRS 9 Financial Instruments: Recognition and Measurement standard, or, where applicable, in the initial accounting of an investment in an affiliate or jointly controlled entity accepted as the cost price.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Changes in the Accounting Policies

Financial statements of the Group have been prepared comparatively with the prior year in order to give information about financial position and performance. The Group has not made any changes to its accounting policies in the current year.

2.3 Changes and Errors in Accounting Estimates

If the changes in the accounting policies are related to one period they are applied in the current year; if they are related with the future period they are applied both in the current period and future periods. The Group did not have any changes in the accounting estimates in the current year. Significant accounting errors are applied retrospectively and prior period financial statements are rearranged.

2.4 Application of New and Revised International Financial Reporting Standards (TFRSs)

The Group has implemented the new standards effective as of 31 December 2020, and the changes and interpretations made to existing previous standards that are related to its field of activity.

a. Standards, amendments and interpretations applicable as at 31 December 2020:

- **Amendments to TAS 1 and TAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, 'Presentation of financial statements', and TAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other TFRSs:
i) Use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
ii) Clarify the explanation of the definition of material; and
iii) Incorporate some of the guidance in TAS 1 about immaterial information.

- **Amendments to TFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

- **Amendments to TFRS 9, TAS 39 and TFRS 7 - Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.4 Application of New and Revised International Financial Reporting Standards (TFRSs) (Continued)

a. Standards, amendments and interpretations applicable as at 31 December 2020 (continued):

- **Amendment to TFRS 16, 'Leases' - Covid-19 related rent concessions**; effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

b. Standards, amendments and interpretations that are issued but not effective as at 31 December 2020:

- **TFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features

- **Amendments to TAS 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.4 Application of New and Revised International Financial Reporting Standards (TFRSs) (Continued)

b. Standards, amendments and interpretations that are issued but not effective as at 31 December 2020 (continued):

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

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

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

- **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

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

The Group has evaluated the effects of the changes above and does not expect any significant impact on the financial statements.

2.5 Summary of Significant Accounting Policies

Inventories:
Inventories are valued at the lower of cost or net realizable value. Stocks are valued according to the first-infirst-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs required to make the sale. When the net realizable value of the inventories falls below its cost, the inventories are reduced to their net realizable value and reflected to the profit or statement as an expense in the year in which the impairment occurs. In the event that the conditions that previously caused the inventories to be reduced to net realizable value have proved invalid or there is an increase in the net realizable value due to changing economic conditions, the provision for impairment is cancelled. The amount cancelled is limited to the amount of the impairment beforehand.

Revenues from the suppliers, turnover premiums and discounts received from sellers are recognized on an accrual basis in the period in which the sellers benefit from the services and deducted from the cost of goods sold.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Tangible Assets:
Property, plant and equipment are carried at amortized cost less accumulated depreciation and accumulated impairment losses for the items purchased before 1 January 2005 for the items purchased in 2005 and after the cost adjusted for inflation.

Except for land and construction in progress, cost of tangible assets are depreciated on a straight-line basis over their estimated useful lives. Fixed assets acquired through financial leasing are depreciated on a straight-line basis over their estimated useful lives or longer than the period specified in the agreement.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Special Costs
Private costs consist of permanent improvements to the stores that the Group expects to benefit from in the future. The Group recognizes the cost of acquisition by deducting the accumulated depreciation and any impairment, if any.

Leasing Transactions:
The Group as lessor
Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. Direct initial costs incurred in the realization of the lease and negotiation are included in the cost of the leased asset and amortized on a straight-line basis over the lease term.

The Group as lessee:
Leases where a significant portion of the risks and rewards of ownership are retained by the lessee are classified as finance leases and other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are allocated as the primary payment for the financing expenses and the decrease in the lease obligation, and thus, it provides a constant rate of interest on the remaining balance of the liability. Financial expenses are recorded in the profit or loss statement except for the capitalized portion of the financing expenses in accordance with the general borrowing policy detailed above. Payments made for operating leases (incentives received or to be received in order to be able to perform leasing from the lessor are recorded in the income statement on a straight-line basis over the period of the lease) are recognized in the statement of profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognized as an expense in the period in which they are incurred. Information on operating leases of the Group is given in Note 11.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

TFRS 16, "Leases:
The Group as lessee:
At inception of a contract, the Group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group considers the following matters when assessing whether the agreement transfers the right to control the use of an identified asset for a limited period of time:

a) The contract contains an identified asset: - this may be specified explicitly or implicitly,
b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use and
d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:

i. The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
ii. The customer designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

At the commencement date, the Group recognize a right-of-use asset and a lease liability in interim consolidated financial statements..

Right of use asset
The cost of the right-of-use asset shall comprise:
a) The amount of the initial measurement of lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the lessee, and

To apply a cost model, the Group measure the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses, and
b) Adjusted for any remeasurement of the lease liability.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)
TFRS 16, "Leases:(Continued)

The Group apply the depreciation requirements in TAS 16, "Property, Plant and Equipment" in depreciating the right-of-use asset, subject to the requirements. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply TAS 36, "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability
At the commencement date, the Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
c) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
d) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease

After the commencement date, the Group measure the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability,
b) Reducing the carrying amount to reflect the lease payments made; and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)
TFRS 16, "Leases: (Continued)
Lease liability (Continued)

the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:
a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or.
b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:
a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

The Group management used the alternative borrowing rate as the discount rate during the acquisition of the lease obligation. The alternative borrowing rate consists of the estimated interest rate that the Group management will incur for a loan in the amount of the gross lease obligation.

The Group account for lease modification as a separate lease if both:

The Group determines its revised lease payments related to the remaining leasing period considering its payments related to the revised agreement. Under these circumstances, the Group uses an unadjusted interest rate.

The Group recognises the restructuring of the lease as a separate leasing if both of the following are met:
a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

TFRS 16, "Leases:(Continued)

The Group as the lessor

All the leasings of the Group as lessor are operational leasings. For operational leasings, leased assets are classified under investment properties, tangible assets or other current assets in the consolidated balance sheet and rental income is accounted in the consolidated income statement in equal amounts for the leasing period. Rental income is accounted in the consolidated income statement for the leasing period on a straight-line basis.

The Group distributes an amount that takes place in an agreement which includes an item that has or has not one or more extra leasing qualities along with a leasing item through applying the TFRS 15 "Revenue arising from agreements made with customers" standard.

Intangible Assets:

Intangible assets are carried at amortized cost and are amortized on a straight-line basis at 31 December 2004 for items purchased before 1 January 2005, less any amortization costs and permanent impairment losses for items acquired during and after 2005. The estimated useful life and amortization method are reviewed at the end of each annual reporting period and the changes in the estimates are accounted for on a prospective basis.

Franchise Rights and Trademarks

The net cash flows that are expected to be provided to the Group, including the brands, are not calculated due to the fact that it cannot be foreseen how long they can use them as a result of the analyses. Therefore, these assets are not depreciated, but annual impairment test is applied.

Impairment of Assets:

Assets with unlimited life are not subject to redemption. An impairment test is performed annually for these assets. For assets that are subject to amortization, impairment test shall be performed if there is a situation or events in which it is not possible to recover the book value. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, the assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowing Costs:

In the case of assets (qualifying assets) requiring considerable time to be ready for use and sale, the borrowing costs directly associated with the acquisition, construction or production are included in the cost of the asset until the asset is ready for use or sale. Borrowing costs are recognized in profit or loss in the period in which they are incurred. TAS 23 (Revised), "Borrowing costs", there is no scope of Group's borrowing costs should be capitalized.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Revenue

The Group adopted TFRS 15 "Revenue From Contracts with Customers" from 1 January 2018 which proposes a five step model framework mentioned below for recognizing the revenue.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.

The Group evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. The Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation. When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers. Following indicators are considered while evaluating the transfer of control of the goods and services, a) presence of The Group's collection right of the consideration for the goods or services, b) customer's ownership of the legal title on goods or services, c) physical transfer of the goods or services, d) customer's ownership of significant risks and rewards related to the goods or services, e) customer's acceptance of goods or services. If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

Financial Assets

Classification and measurement: Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Financial Assets (Continued)

Classification and measurement: (continued)

payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "other receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified, as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

Impairment: Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if no provision provided to the trade receivables because of a specific events, Group measures expected credit loss from these receivables by the lifetime expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications

Cash and Cash Equivalents

Cash and cash equivalents are cash items, demand deposits and other short-term investments with a high liquidity of less than 3 months or less than 3 months from the date of purchase, which are immediately convertible to cash and do not carry a significant risk of change in value.

Financial Liabilities

The Group's financial liabilities and equity instruments are classified according to the substance of the contractual agreemenrs entered into and the definitions of a financial liability and an equity instrument. The contract representing the right in the assets of the Group after deducting all of its liabilities and an equity instrument. The accounting policies applied for certain financial liabilities and equity instruments are as follows. Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are classified as short-term liabilities if the Group does not have the unconditional right to postpone the repayment of the liability for 12 months from the balance sheet date.

Trade Receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are shown as offseted deferred financial income. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Trade Receivables (Continued)

in the future collection are included under objective evidences. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception Also, Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the lifetime expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Effects of Exchange Rate Change:

The Group's financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the entity are expressed in Turkish Lira (TRY), which is the functional currency of the Group and the presentation currency for the financial statements.

During the preparation of the financial statements of the Group, transactions in foreign currencies (currencies other than TRY) are recorded on the basis of exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value is determined. Non-monetary items measured in terms of historical cost in a foreign currency are not subject to re-translation.

Foreign exchange differences are recognized in profit or loss in the period in which they arise:

- Exchange rate differences related to interest costs on foreign currency denominated liabilities related to future assets, which are included in the cost of such assets,
- Foreign exchange differences arising from transactions carried out to provide financial protection against risks arising from foreign currency.

Basic Earnings Per Share

It is calculated by restating the profit share items in ordinary shares issued during the year and by dividing the share of the equity from the equity by the weighted average number of ordinary shares existing during the financial year. At the same time, the increase in the number of internal resources and capital increases the replay of the previous year's calculation.

Events After the Reporting Period:

Events after the reporting period; This standard covers all events between the balance sheet date and the date on which the balance sheet is authorized for issue, even if any announcement or other financial information related to the period profit has been disclosed to the public. The Group adjusts its financial statements if such subsequent events arise that require an adjustment to the financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Provisions Contingent Assets and Liabilities:

Provisions
Provisions are set when the Group has a statutory or contractual obligation as a result of past events and a future outflow of resources for the purpose of fulfilling this obligation is also available and the amount payable is reliably estimated (Note 11).

Contingent Assets and Liabilities
Liabilities and assets arising from past events that may be confirmed by the occurrence of one or more uncertain future events that are not under the full control of the entity are not included in the financial statements and are considered as contingent liabilities and assets (Note 11).

Related Parties:
Related parties are the person or entity associated with the entity that is preparing the financial statements (the reporting entity).

a) A person or a member of his or her close family shall be considered to be associated with the reporting entity if:
• In case of control or joint control over the reporting entity,
• Has a significant impact on the reporting entity,
• Is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

Revenue from the sale of goods is recognized when all of the following conditions are fulfilled
b) If any of the following conditions exist, the entity is considered to be associated with the reporting entity:
• If the entity and the reporting entity are members of the same group (i.e., each parent company, subsidiary and other subsidiary are associated with others)
• The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member)
• Both entities are joint ventures of the same third party.
• If one entity is a joint venture of a third entity and the other entity is an associate of the third entity,
• In the event that the entity has a post-employment benefit plan for the employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also associated with the reporting entity,
• If the entity is controlled or jointly controlled by a person identified in (a)
• That a person identified in point (i) of the Article has significant influence on the entity or is a member of the key management personnel of that entity (or the parent company of that entity).

The transaction with the related party is the transfer of resources, services or obligations between the reporting entity and the related party, regardless of whether a price is charged or not.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Taxes on Corporate Income:

Current tax
Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss as it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Taxes on Corporate Income:

Deferred Tax
Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Current and deferred tax for the period
Deferred tax, income or expense in the statement of deferred tax, profit or loss for the period other than those directly attributable to debt or liability in equity (in which case deferred tax is also recognized directly in equity) or resulting from initial recognition of business combinations is accounted for. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

Employee Benefits:

Severance compensation:
Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. Such payments are considered as being part of defined retirement benefit plan in accordance with TAS 19 as Employee Benefits (TAS 19).

The retirement benefit obligation recognized in the balance sheet is calculated based on the net present value of the liability amounts expected to arise in the future due to the retirement of all employees and reflected in the financial statements. All actuarial gains and losses are recognized in other comprehensive income.

Cash Flow Statement:

In the statement of cash flows, cash flows are classified according to operating, investment and financing activities.

Cash flows from operating activities reflect cash flows from wholesale operations of the Group.

Cash flows related to investment activities indicate the cash flows that the Group uses and acquires in its investment activities (fixed investments and financial investments).

Cash flows from financing activities represent the resources used by the Group in financing activities and the repayments of these resources.

Cash and cash equivalents and other short-term investments with maturities of less than 3 months or less than 3 months from the date of purchase and which are immediately convertible to cash and do not carry a significant risk of change in value.

Capital and Dividends:
Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as dividends payable by deducting from retained earnings in the period in which they are decided to distribute dividends.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.5 Summary of Significant Accounting Policies (Continued)

Retrieved shares
The amount of the Group's share of undiscounted shares is deducted from retained earnings and presented under a separate line in the statement of financial position under equity,

The Group may have the right to resell such shares in accordance with the legal regulations to which the Group is affiliated.

2.6 Significant Accounting Reviews, Estimates and Assumptions:

Estimates and assumptions carried out by the Group when applying accounting policies

In the process of applying the accounting policies specified in Note 2.5, management made the following comments, which had a significant impact on the amounts recognized in the financial statements:

Significant Accounting Estimates
Lifetimes foreseen in the calculation of right of use
The lease obligation is determined by considering the extension and termination options in the contracts. The majority of the extension options in the contracts consist of options that can be jointly applied by the Group and the lessor. The early termination option is in the hands of the Group. Due to these assessments, the Group has evaluated the extension and early termination and options used the lease term without adding or subtracting the terms of contracts. The relevant contract periods are evaluated by the Group management at the end of each year.

Impairment of franchise rights:
In order to increase the penetration in the market channel within the framework of our growth strategies, our Group acquired franchising contracts for 196 franchising stores operating under Şok Marketler Ticaret A.Ş. Fixed assets belonging to Şok Marketler Ticaret A.Ş., which is located in Franchising stores, were purchased and for all these purchases. TRY27,000,000 goodwill + TRY3,000,000 fixed assets paid a total of TRY30,000,000 + VAT.
It cannot be calculated because the estimated life expectancy of intangible assets, franchise rights and the net cash flows likely to be provided to the Group cannot be estimated for how long they can use as a result of the analyses. Therefore, these assets are not depreciated, but annual impairment test will be performed.

Reduced cash flow method is used in the determination of the impairment of franchise rights with unlimited life.
In the discounted cash flow study, the 5-year business plan was prepared by the group management as followed during the management by the Group management and the discount rate and the growth rate of 9% in the range of 21.5% were used in the valuation for 5 years. Sensitivity analysis is also given below.;

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)
2.6 Significant Accounting Reviews, Estimates and Assumptions: (Continued)

Sensitivity analysis of the variables used in the valuation study of franchise rights is as follows:

	31 December 2020			
	Discount rate	Discount rate 1% Change +/-(TRY000)	Discount rate 1%	Final growth rate 1% Change +/-(TRY000)
Franchise Rights	21.5%	(15,140)/17,806	9.0%	(9,979)/11,709

	31 December 2019			
	Discount rate	Discount rate 1% Change +/-(TRY000)	Discount rate 1%	Final growth rate 1% Change +/-(TRY000)
Franchise Rights	18.3%-20.1%	(10,513)/12,746	7.8%	(8,948)/7,396

3. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash on hand	11,909,319	8,498,116
Time deposits(*)	292,139,627	367,003,020
Demand deposits	23,173,926	23,536,070
Credit card receivables	173,565,606	3,713,230
Cash and cash equivalents	**500,788,478**	**402,750,436**

(*) The majority of time deposits have overnight maturities. The average interest rate in 2020 is 15.8%.

The maturity details of credit card receivables as of 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
To be paid within 1 month	111,919,473	3,713,230
To be paid within 2 - 3 months	61,646,133	-
Total	**173,565,606**	**3,713,230**

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4. FINANCIAL LIABILITIES

Financial leasing borrowings	31 December 2020	31 December 2019
To be paid within 1 year	4,437,694	6,885,144
To be paid within 2 - 4 years	2,369,245	3,385,965
Present value of finance charges	(1,051,856)	(1,137,794)
Present value of finance lease obligations	**5,755,083**	**9,133,315**
Amounts due to settlement within 12 months	3,777,061	5,747,350
Amounts due for settlement after 12 months	1,978,022	3,385,965

Lease Liabilities	31 December 2020	31 December 2019
To be paid within 1 year	67,205,751	51,565,148
Longer than one year	135,215,368	111,710,889
Present value of lease liabilities	**202,421,119**	**163,276,037**

Financial lease movements	31 December 2020	31 December 2019
Balance at beginning of the year	9,133,315	15,741,093
New borrowings obtained	3,338,116	-
Accrued interest	1,407,676	-
Paids	(8,124,024)	(6,607,778)
Closing balance	**5,755,083**	**9,133,315**

The discount ranges used for leases under TFRS 16 are as follow:

	31 December 2020		
Currency	Discount range (%)	Short-term (%)	Long-term (%)
TRY	11-16.4	11-12	12-16.4
EUR	4-6	4-5.5	5.8-6.2
USD	5-7.6	5-6.8	7-7.6

	31 December 2019		
Currency	Discount range (%)	Short-term (%)	Long-term (%)
TRY	14-23	14-18	19-23
EUR	3-7	3-5	5.5-7
USD	5-10	5-7	8-10

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4. FINANCIAL LIABILITIES (CONTINUED)

Financial leasing is related to the machine and equipment with the lease term of 4 years. The Group has the option of purchase on the machine and the equipment with lease period of 4 years. The liabilities of the Group are assured with the property right of the lessee on leased asset.

As of balance sheet date, net book value of the assets subjecting to the financial leasing is TRY19,355,878 (31 December 2019: TRY21,385,326).

As of contract dates, interest rates of financial leasing transactions are fixed for the entire leasing period. Average effective rate of contracts is 13.90% per annum (31 December 2019: 13.90%).

The amount of liability arising from leasing transactions is calculated over the future rents within the scope of the contract for the stores, warehouses and vehicles within the scope of the right to use and control within the scope of the new TFRS 16.

5. TRADE RECEIVABLES AND PAYABLES

Short-Term Prepaid Expenses	**December 2020**	**December 2019**
Trade receivables	108,325,027	78,062,936
Trade receivables from related parties (Note 23)	2,751,396	492,269
Notes receivable	4,971	118,208
Allowance for doubtful receivables (-)	(15,081,695)	(16,057,259)
Total current trade receivables	**95,999,699**	**62,616,154**

As of 31 December 2020, the average period for the sale of goods is 5.5 days (31 December 2019: 5 days).

Trade receivables are carried at amortized cost and are calculated over discount rate of 10.8% (31 December 2019: 19.6%).

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5. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

The movement of the allowance for doubtful receivables as of 31 December 2020 and 31 December 2019 are as follows:

Movement of allowance for doubtful receivables	**31 December 2020**	**31 December 2019**
Balance at beginning of the year	(16,057,259)	(13,179,819)
Current period charge	(390,805)	(3,843,874)
Amounts recovered during the year	1,366,369	966,434
Closing balance	**(15,081,695)**	**(16,057,259)**

Current trade payables	**31 December 2020**	**31 December 2019**
Trade payables	825,693,497	600,763,915
Trade payables to related parties (Note 23)	229,915,919	150,930,750
Total current trade payables	**1,055,609,416**	**751,694,665**

Average payment period for trade payables varies depending on the sector and suppliers. As of 31 December 2020, the average payment period, although varies as per the product categories is 69 days (31 December 2019: 62 days).
Trade payables are carried at amortized cost and are calculated over discount rate of 10.8% (31 December 2019: 19.6%).
Qualification and level of risks on trade receivables and trade payables explained in Note 24.

6. OTHER RECEIVABLES AND PAYABLES

Short-term other receivables	**31 December 2020**	**31 December 2019**
Receivables from personnel	239,758	-
	239,758	**-**

Long-term other receivables	**31 December 2020**	**31 December 2019**
Deposits and guarantees given	3,176,823	2,416,405
	3,176,823	**2,416,405**

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7. INVENTORIES

	31 December 2020	31 December 2019
Trade goods	443,823,322	298,204,512
Other inventory	1,608,211	790,165
Provisions for inventories	(7,935,294)	(2,566,123)
	437,496,239	**296,428,554**

Inventory provision movement	31 December 2020	31 December 2019
Balance at beginning of the year	(2,566,123)	(2,880,288)
Period income/expense	(7,935,294)	(2,566,123)
Provision reversal	2,566,123	2,880,288
	(7,935,294)	**(2,566,123)**

8. PREPAID EXPENSES AND DEFERRED INCOMES

a) Prepaid Expenses

Short-Term Prepaid Expenses	31 December 2020	31 December 2019
Advances given for inventories	15,407,090	2,966,485
Prepaid expenses for rent	2,169,136	1,349,700
Prepaid expenses for insurance	1,013,133	1,684,591
Other prepaid expenses	99,020	102,771
	18,688,379	**6,103,547**

Long-Term Prepaid Expenses	31 December 2020	31 December 2019
Future expenses	383,556	504,483
	383,556	**504,483**

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8. PREPAID EXPENSES AND DEFERRED INCOMES (CONTINUED)

b) Deferred Revenue

Short-term deferred revenue	31 December 2020	31 December 2019
Advances received	6,822,996	1,670,405
Other deferred revenue	-	32,344
	6,822,996	**1,702,749**

Long-term deferred revenue	31 December 2020	31 December 2019
Other deferred revenue	441,620	971,563
	441,620	**971,563**

9. TANGIBLE ASSETS AND RIGHT OF USE ASSETS

a) Movements of tangible assets between 1 January 2020 and 31 December 2020 are as follows:

Cost Value	Furniture and Fixture	Other Tangible Fixed Assets	Leasehold Improvements	Total
Opening balance as of 1 January 2020	157,325,310	32,943,776	159,498,134	349,767,220
Additions	22,753,943	49,924,028	23,544,143	96,222,114
Disposals	(571,887)	-	(4,618,441)	(5,190,328)
Transfers (Tangible assets)	7,687,653	(7,687,653)	-	-
Transfers (Intangible assets) (*)	-	5,713,646	-	5,713,646
Closing balance as of 31 December 2020	**187,195,019**	**80,893,797**	**178,423,836**	**446,512,652**
Accumulated Depreciation				
Opening balance as of 1 January 2020	(99,599,158)	(13,003,556)	(62,753,850)	(175,356,564)
Additions	(15,979,755)	(3,300,286)	(13,883,176)	(33,163,217)
Disposals	437,627	-	2,132,111	2,569,738
Closing balance as of 31 December 2020	**(115,141,286)**	**(16,303,842)**	**(74,504,915)**	**(205,950,043)**
Net book value as of 31 December 2020	**72,053,733**	**64,589,955**	**103,918,921**	**240,562,609**

(*) Intangible fixed asset investments that are not ready for use have been transferred to construction in progress.

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9. TANGIBLE ASSETS AND RIGHT OF USE ASSETS (CONTINUED)

Depreciation expense of TRY29,316,560 has been charged in marketing sales and distribution expenses and TRY7,589,208 in general administrative expenses.

In the period of 1 January 2020 - 31 December 2020, there are purchases of tangible fixed assets amounting to TRY3,338,116 by financial leasing.

There are no pledges or any other restrictions over tangible assets.

a) Movements of tangible assets between 1 January 2019 and 31 December 2019 are as follows:

Cost Value	**Furniture and Fixture**	**Other Tangible Fixed Assets**	**Leasehold Improvements**	**Total**
Opening balance as of 1 January 2019	134,159,840	25,575,852	131,354,728	291,090,420
Additions	23,365,535	7,367,924	30,886,179	61,619,638
Disposals	(200,065)	-	(2,742,773)	(2,942,838)
Closing balance as of 31 December 2019	**157,325,310**	**32,943,776**	**159,498,134**	**349,767,220**
Accumulated Depreciation				
Opening balance as of 1 January 2019	(85,870,748)	(10,063,235)	(53,498,040)	(149,432,023)
Charge for the period	(13,901,736)	(2,940,321)	(10,416,092)	(27,258,149)
Disposals	173,326	-	1,160,282	1,333,608
Closing balance as of 31 December 2019	**(99,599,158)**	**(13,003,556)**	**(62,753,850)**	**(175,356,564)**
Net book value as of 31 December 2019	**57,726,152**	**19,940,220**	**96,744,284**	**174,410,656**

As of 1 January 2019, depreciation expense of TRY24,590,584 has been charged in marketing sales and distribution expenses and TRY5,723,505 in general administrative expenses.

As of 1 January 2019 - 31 December 2019, there are no property, plant and equipment by financial lease.

There are no pledges or any other restrictions over tangible assets.

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9. TANGIBLE ASSETS AND RIGHT OF USE ASSETS (CONTINUED)

The useful lives of tangible assets are as follows:

	Useful Life
Furniture and fixture	2 - 50 years
Other tangible fixed assets	2 - 7 years
Leasehold Improvements	2-20 years

b) Movements of right of use assets between 1 January 2020 and 31 December 2020 are as follows:

Cost Value	**Stores**	**Vehicles**	**Warehouses**	**Total**
Opening balance as of 1 January 2020	175,656,093	7,812,217	6,850,485	190,318,795
Additions	49,345,483	22,080,570	-	71,426,053
Disposals	(4,230,993)	(6,127,106)	(1,437,611)	(11,795,710)
Closing balance as of 31 December 2020	**220,770,583**	**23,765,681**	**5,412,874**	**249,949,138**
Accumulated Depreciation				
Opening balance as of 1 January 2020	(28,255,793)	(3,425,169)	(1,682,621)	(33,363,583)
Charge for the period	(31,359,222)	(7,774,619)	-	(39,133,841)
Disposals	1,655,839	5,675,837	(640,740)	6,690,936
Closing balance as of 31 December 2020	**(57,959,176)**	**(5,523,951)**	**(2,323,361)**	**(65,806,488)**
Net book value as of 31 December 2020	**162,811,407**	**18,241,730**	**3,089,513**	**184,142,650**

As of 31 December 2020, Depreciation expense of TRY36,944,886 has been charged in marketing sales and distribution expenses and TRY2,138,955 in general administrative expenses.

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9. TANGIBLE ASSETS AND RIGHT OF USE ASSETS (CONTINUED)

Movements of tangible assets between 1 January 2019 and 31 December 2019 are as follows:

Cost Value	**Stores**	**Vehicles**	**Warehouses**	**Total**
Opening balance as of 1 January 2019	150,153,228	5,807,703	4,612,362	160,573,293
Additions	26,025,282	4,746,739	2,238,123	33,010,144
Disposals	(522,417)	(2,742,225)	-	(3,264,642)
Closing balance as of 31 December 2019	**175,656,093**	**7,812,217**	**6,850,485**	**190,318,795**
Accumulated Depreciation				
Opening balance as of 1 January 2019	-	-	-	-
Charge for the period	(28,743,443)	(6,167,394)	(1,682,621)	(36,593,458)
Disposals	487,650	2,742,225	-	3,229,875
Closing balance as of 31 December 2019	**(28,255,793)**	**(3,425,169)**	**(1,682,621)**	**(33,363,583)**
Net book value as of 31 December 2019	**147,400,300**	**4,387,048**	**5,167,864**	**156,955,212**

As of 31 December 2019, Depreciation expense of TRY34,443,540 has been charged in marketing sales and distribution expenses and TRY2,149,918 in general administrative expenses.

10. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2020- 31 December 2020 are as follows:

Cost Value	**Franchising Rights**	**Rights**	**Total**
Opening balance as of 1 January 2020	26,724,490	17,554,430	44,278,920
Additions	-	5,992,371	5,992,371
Transfers (*)	-	(5,713,646)	(5,713,646)
Closing balance as of 31 December 2020	**26,724,490**	**17,833,155**	**44,557,645**
Accumulated Amortization			
Opening balance as of 1 January 2020	-	(5,955,566)	(5,955,566)
Charge of the period	-	(3,742,551)	(3,742,551)
Closing balance as of 31 December 2020	**-**	**(9,698,117)**	**(9,698,117)**
Carrying value as of 31 December 2020	**26,724,490**	**8,135,038**	**34,859,528**

(*) Intangible fixed asset investments that are not ready for use have been transferred to construction in progress.

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10. INTANGIBLE ASSETS (CONTINUED)

For intangible assets which have indefinite useful time, including brands, probable net cash flows cannot be calculated hence it cannot be predicted economic life of the asset with the analysis. Therefore, these assets are not amortised but the assets are tested for impairment test annually.

Discounted cash flow method has been used for the impairment calculations on franchise rights with unlimited lifespans. In the discounted cash flow study, a 5-year business plan has been prepared by the relevant management, 21.5% in 2021, 21.5% in 2022, 21.5% in 2023, 21.2% in 2024 and in 2025 21.5% discount rate and 9% growth rate were used.

As a result of the impairment analysis on franchise rights with the details listed above, no impairments have been found as of 31 December 2020 (31 December 2019: None).

All of the amortization expense has been charged in general administrative expenses.

Movements of intangible assets between 1 January 2019 - 31 December 2019 are as follows:

Cost Value	**Franchising Rights**	**Rights**	**Total**
Opening balance as of 1 January 2019	26,724,490	7,028,792	33,753,282
Additions	-	10,525,638	10,525,638
Closing balance as of 31 December 2019	**26,724,490**	**17,554,430**	**44,278,920**
Accumulated Amortization			
Opening balance as of 1 January 2019	-	(2,899,626)	(2,899,626)
Charge of the period	-	(3,055,940)	(3,055,940)
Closing balance as of 31 December 2019	**-**	**(5,955,566)**	**(5,955,566)**
Net book value as of 31 December 2019	**26,724,490**	**11,598,864**	**38,323,354**

Intangible assets are depreciated straight line in accordance with useful life.

	Useful Life
Rights	3 - 5 years
Franchising rights	Unlimited

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS AND OBLIGATIONS

Current provisions	**31 December 2020**	**31 December 2019**
Provision for lawsuits	12,271,730	10,127,587
Provision for sales activities (**)	3,407,004	2,108,653
Provision for risky shops (*)	2,073,252	3,839,301
Other provisions	1,100,651	1,064,631
	18,852,637	**17,140,172**

(*) Risky Store Provisions consist of provisions that are set aside by the store special costs due to possible risks that may arise from the Group's store closing or moving decisions.

(**) Activity reserves consist of the monetary point campaign applications that the Group organized in order to support the sales in the current period.

The movement of the legal case provision for the years ended 31 December 2020 and 31 December 2019 are as follows:

Movement of Lawsuit Provision	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Balance at beginning of the period	10,127,587	7,744,091
Current period charge	2,144,143	2,383,496
Closing balance	**12,271,730**	**10,127,587**

a) Guarantees Given

Grup Tarafından Verilen Teminat, Rehin, İpotekler (TRİ'ler)	**31 December 2020**			**31 December 2019**		
	TRY Equivalent	TRY	USD	TRY Equivalent	TRY	USD
A. Total guarantees pledges and liens ("GPL") given in the legal name of the Group	-	-	-	-	-	-
B. Total GPL given in the name of fully consolidated companies	-	-	-	-	-	-
C. Total GPL given to manage trading operations of entity in the name of 3rd parties	-	-	-	-	-	-
D. Total - Other GPL given						
i. Total GPL given in the name of the parent (*)	148,822,963	75,212,429	10,028,000	134,780,755	75,212,429	10,028,000
ii. Total GPL given in the name of other Group Companies not included in article B and C	-	-	-	-	-	-
iii. Total GPL given in the name of 3rd parties not included in article C	-	-	-	-	-	-
	148,822,963	**75,212,429**	**10,028,000**	**134,780,755**	**75,212,429**	**10,028,000**

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS AND OBLIGATIONS (CONTINUED)

(*) On 12 April 2018, Yıldız Holding and some of its group companies, including the Group, entered into a syndicated loan agreement with some of the lenders of Yıldız Holding and group companies. The syndication loan process was signed on 8 June 2018. The Group has no total cash loans covered by this scope and the non-cash loans are USD10,028,000 + TRY75,212,429. There was no increase in the Group's total debt burden due to the syndication loan; only non-cash risks Yıldız Holding A.Ş. At the same time, with respect to the Group itself, the non-cash loan transferred to Yıldız Holding A.Ş. has been a guarantor to Yıldız Holding A.Ş. No pledge or collateral has been established on the Group's assets (immovables, subsidiary shares, etc.). The syndication loan will result in the payment of guarantees during the term of the contract and will not result in any limitation or commitment that could negatively affect the Group's operations in the contract. Bizim Toptan Holding is a guarantor of commitments. The amount of the letter of guarantee given to the third parties by Yıldız Holding on the surety of Yıldız Holding is TRY158,822,920.

b) Lawsuits Filed by and Against to the Group

Lawsuits filed by the Group:

	31 December 2020	**31 December 2019**
Compensation suits	5,886,911	6,303,133
Enforcement suits	6,384,819	3,824,454
	12,271,730	**10,127,587**

12. SHORT AND LONG-TERM EMPLOYEE BENEFITS

Short-term provisions	**31 December 2020**	**31 December 2019**
Due to personnel	12,678,574	10,580,888
Unused vacation provision	1,236,177	1,137,085
	13,914,751	**11,717,973**

Payables to employee benefits	**31 December 2020**	**31 December 2019**
Due to personnel	8,620,975	7,375,681
Social security premiums payable	3,654,527	4,075,070
Taxes and funds payable	2,217,373	1,786,450
	14,492,875	**13,237,201**

Long-term provisions	**31 December 2020**	**31 December 2019**
Provision for employment termination benefits	27,499,214	19,181,034
Provision for unused vacation	3,708,530	3,411,255
	31,207,744	**22,592,289**

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12. SHORT AND LONG-TERM EMPLOYEE BENEFITS (CONTINUED)

The Group, according to the Turkish Business Laws, is required to provide an employee termination benefit to any worker who has worked for a minimum of one year and completed has retired after their 25th year of working (58 for females, 60 for males), terminated employees, employees that are drafted to the military or employees that have passed away.

The amount payable consists of one month's salary limited to a maximum of TRY7,117.17 for each period of service at 31 December 2020 (31 December 2019: TRY6,379.86).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the acGrouping financial statements as at 31 December 2020, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 9.03% and an interest rate of 13.23%, resulting in a real discount rate of approximately 3.85% (31 December 2019: 4%). On-demand turnover rates are considered as 0% for employees working for 0 - 15 years and above 15 years but for those with SSI entries after September 1999, 7% for employees who are 16 and over, and 0% for SSI entrants before September 1999. The maximum liability is revised semi-annually. The basis considered in calculating the provisions is the amount of maximum liability of TRY7,638.96 which became effective as of 1 January 2021 (1 January 2020: TRY6,730.15).

Movement of provision for employee termination benefits is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Provision at 1 January	19,181,034	13,179,354
Service cost	3,476,029	2,434,228
Interest cost	701,579	492,741
Employment termination benefits paid	(2,023,340)	(3,612,762)
Actuarial loss	6,163,912	6,687,473
Provision at 31 December	**27,499,214**	**19,181,034**

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12. SHORT AND LONG-TERM EMPLOYEE BENEFITS (CONTINUED)

Movement of unused vacation provision is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Provision at 1 January	4,548,340	3,800,380
Increase in the period	4,621,696	4,217,719
Used in the period	(4,225,329)	(3,469,759)
Provision at 31 December	**4,944,707**	**4,548,340**

Movement of performance premium provision is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Provision at 1 January	8,180,888	8,432,376
Increase in the period	25,886,941	16,490,824
Paid in period	(21,389,255)	(16,742,312)
Provision at 31 December	**12,678,574**	**8,180,888**

13. OTHER ASSETS AND LIABILITIES

Other Current Liabilities	**31 December 2020**	**31 December 2019**
Taxes and funds payable	11,210,633	7,305,374
Other	24,500	14,000
	11,235,133	**7,319,374**

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14. SHAREHOLDERS' EQUITY

The Company is subject to the registered capital system with registered share capital of TRY200,000,000.

The Company's paid-in share capital as of 31 December 2020 and 31 December 2019 as follows:

Name of the Shareholders (*)	(%)	31 December 2020	(%)	31 December 2019
Yıldız Holding A.Ş.	55.19	33,111,291	55.19	33,111,291
Emap Limited	-	-	9.36	5,616,919
Public Quotation	44.81	26,888,709	35.45	21,271,790
	100	**60,000,000**	**100**	**60,000,000**

(*) It is organized according to the shareholding structure published on PDP and Central Registry Agency data.

The total number of ordinary shares authorized is 60,000,000 shares (2019: 60,000,000 shares) with a par value of TRY1 per share.

Total of TRY16,000,000 Group shares at nominal value, consisting the Group's shareholders interests amounting to TRY14,000,000 at nominal value and additional sales rights, were offered to public and this transaction (no:6/62) has been registered in accordance with Article 4 of the Capital Market Board (the "CMB") on 21 January 2011. The Group's shares have been trading on the İstanbul Stock Exchange since 3 February 2011.

Restricted Reserves

	31 December 2020	31 December 2019
Legal reserves	12,706,557	12,179,669
	12,706,557	**12,179,669**

Actuarial Loss Funds to Retirement Pay Provision

	31 December 2020	31 December 2019
Opening balance	(17,034,648)	(11,684,670)
Actuarial loss	(6,163,912)	(6,687,473)
Tax income related actuarial loss	1,232,782	1,337,495
Closing balance	**(21,965,778)**	**(17,034,648)**

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14. SHAREHOLDERS' EQUITY (CONTINUED)

Details of the retained earnings are as follows:

	31 December 2020	31 December 2019
Extraordinary reserves	86,261,608	56,561,034
Retained earnings	(8,963,851)	(3,543,040)
	77,297,757	**53,017,994**

The Board of Directors has decided to pay dividends for the year of 2019 at 27 February 2020 and TRY8,268,884 dividend distribution was approved by the General Assembly on 13 July 2020 to be paid on 5 October 2020. Dividend distribution payment has been made (2019: dividend payment for the year 2018 TRY10,300,000).

15. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2020	1 January - 31 December 2019
Domestic sales	5,460,517,430	4,593,671,166
Tobacco	*1,222,879,633*	*1,126,877,254*
Non-Tobacco	*4,237,637,797*	*3,466,793,912*
Sales returns (-)	(13,460,021)	(9,801,985)
Sales discounts (-)	(85,236,812)	(63,196,670)
	5,361,820,597	**4,520,672,511**

b) Cost of Sales

	1 January - 31 December 2020	1 January - 31 December 2019
Tobacco	*(1,200,382,013)*	*(1,093,334,766)*
Non-Tobacco	*(3,579,798,590)*	*(2,911,878,098)*
	(4,780,180,603)	**(4,005,212,864)**

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16. MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATION EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
Marketing, selling and distribution expenses (-)	(342,210,630)	(274,164,024)
General administrative expenses (-)	(63,365,580)	(49,025,757)
	(405,576,210)	**(323,189,781)**

17. EXPENSES BY NATURE

The details of marketing, selling and distribution expenses are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Personnel expenses	(180,092,982)	(133,872,189)
Amortization expenses (Note 9, 10)	(66,311,446)	(59,034,125)
Utility expenses (electricity, natural gas, water etc.)	(24,125,970)	(20,325,198)
Logistics expenses	(16,809,297)	(7,290,397)
Advertising expenses	(11,567,727)	(11,065,073)
Outsourcing expenses	(10,759,211)	(8,894,911)
Maintenance expenses	(7,950,922)	(8,088,395)
Other marketing and sales expenses	(24,593,075)	(25,593,736)
	(342,210,630)	**(274,164,024)**

The details of general administrative expenses are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Personnel expenses	(25,472,919)	(24,494,241)
Consultancy and service expenses	(12,475,108)	(7,433,495)
Amortization and depreciation expenses (Note 9, 10)	(9,728,163)	(7,873,422)
Supplementary expenses	(3,736,159)	(1,802,173)
Outsourcing expenses	(3,268,874)	(2,397,589)
Advisor expenses	(2,713,080)	(1,429,791)
Travel expense	(1,249,351)	(778,232)
Other general administrative expenses	(4,721,926)	(2,816,814)
	(63,365,580)	**(49,025,757)**

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18. OTHER OPERATING INCOME/EXPENSES

a) The detail of other income related to operating activities is as follows;

	1 January - 31 December 2020	1 January - 31 December 2019
Finance income from credit sales	8,257,480	10,136,013
Foreign exchange gains	3,000,885	1,530,283
Provisions no longer required	1,366,369	966,434
Rediscount income for trade receivables and payables	149,831	5,232,125
Other income	3,141,128	1,034,100
	15,915,693	**18,898,955**

b) The detail of other expenses related to operating activities are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Finance expense from credit purchase	(83,067,872)	(124,048,693)
Rediscount expense for trade receivables and payables	(6,577,997)	(518,927)
Provision for lawsuits expenses (Note 11)	(2,144,143)	(2,383,496)
Foreign exchange losses	(2,690,523)	(1,215,059)
Provision for doubtful receivable expenses (Note 5)	(390,805)	(3,843,874)
Other expenses	(2,821,228)	(228,115)
	(97,692,568)	**(132,238,164)**

19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) The detail of income related to investing activities is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Interest income from non-trade receivables	43,304,186	71,568,874
Allowance for prepaid expenses	1,014,238	1,759,306
Other incomes	3,010,197	1,029,831
	47,328,621	**74,358,011**

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19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES (CONTINUED)

The detail of expenses related to investing activities are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Loss on sale of tangible assets	(2,236,573)	(2,556,911)
	(2,236,573)	**(2,556,911)**

20. FINANCIAL EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
Interest on bank overdrafts and loans	(45,866,410)	(66,762,744)
Leasing Operations Financial Expense	(42,753,248)	(38,358,374)
Leasing interest expense	(420,650)	(2,144,448)
Interest expense for benefit obligations	(701,579)	(492,741)
Guarantee letter commission and other expenses	(1,075,866)	(1,413,333)
	(90,817,753)	**(109,171,640)**

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The Group, accounts deferred tax assets and liabilities for temporary timing differences rooted from differences between legal financial statements and financial statements prepared in accordance with TFRS. Those differences in question are caused generally by the fact that some profit and loss accounts come up in different periods in legal financial statements and financial statements prepared in accordance with TFRS.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, ''Law on the Amendment of Certain Tax Acts and Some Other Laws'', corporate tax rate for the years 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2020 are calculated with 22% tax rate for temporary differences which will be realized in 2019 and 2020 and with 20% tax for those which will be realized after 2021 and onwards, within materiality (31 December 2019: 22%).

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21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONTINUED)

Deferred tax assets/(liabilities)

	1 January - 31 December 2020	1 January - 31 December 2019
Restatement and depreciation/ amortization differences, of property, plant and equipment and other intangible assets	14,124,185	12,774,995
Discount on trade receivables and payables	4,105,320	5,519,652
Performance premiums and other social rights	(459,388)	(257,599)
Provision for unpaid vacation	(988,941)	(909,668)
Provision for doubtful receivables	(767,054)	(1,000,019)
Provision for lawsuits	(2,454,346)	(2,025,517)
Lease liabilities	(5,367,407)	(2,935,589)
Provision for employee termination benefits	(5,499,843)	(3,836,207)
Expense accruals	(5,764,063)	(6,514,537)
Other	(667,836)	(953,306)
	(3,739,373)	**(137,795)**

Movement of deferred tax asset/(liabilities):

Movement of deferred tax asset/(liabilities)	1 January - 31 December 2020	1 January - 31 December 2019
Opening balance at 1 January	(137,795)	1,827,205
Charged to income statement	(2,368,796)	(627,505)
Charged to equity	(1,232,782)	(1,337,495)
Closing balance at 31 December	**(3,739,373)**	**(137,795)**

Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the acGrouping financial statements for the estimated charge based on the Group's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

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21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONTINUED)

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 22% in 2020 (31 December 2019: 22%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 - 25 April following the close of the accounting year to which they relate. The companies with special accounting periods, file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax
In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for resident companies in Turkey which include this dividend income in their taxable profit for the related period and Turkish branches of foreign companies. The rate of income withholding tax was used 10% between 24 April 2003 - 22 July 2006. This rate was changed to 15% with the Cabinet Decision code numbered 2006/10731 commencing from 22 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

As the Group did not use any investment incentives, the Group has used 22% corporate tax rate.

Provision for taxation as of 31 December 2020 and 31 December 2019 are as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Current period corporate tax provision	12,747,281	9,112,087
Less: prepaid taxes and funds	(6,112,121)	(8,526,387)
Tax liability in the balance sheet	**6,635,160**	**585,700**

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21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONTINUED)

	1 January - 31 December 2020	1 January - 31 December 2019
Current tax charge	(12,747,281)	(9,112,087)
Deferred tax income/(expense)	2,368,796	627,505
Tax charge	**(10,378,485)**	**(8,484,582)**

Reconciliation of taxation:

	1 January - 31 December 2020	1 January - 31 December 2019
Profit before tax	**48,561,204**	**41,560,117**
Calculated tax (22%)	(10,683,465)	(9,143,226)
Effect of different tax rates	267,056	246,515
Non-deductible expenses	37,924	412,129
Tax charge	**(10,378,485)**	**(8,484,582)**

22. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding for the years ended 31 December 2020 and 2019 and computation of earnings per share as follows:

Basic earnings per share	1 January - 31 December 2020	1 January - 31 December 2019
Weighted average number of ordinary shares outstanding during the period (in full)	58,842,000	58,842,000
Net income for the period	38,182,719	33,075,535
Earnings per share (TRY)	**0,649**	**0,562**

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The detail of trade receivables is as follows:

	30 December 2020	31 December 2019
Balances with related parties	**Trading**	**Trading**
Future Teknoloji Ticaret A.Ş.	1,274,657	-
E Star Global E-Ticaret Satış ve Paz. A.Ş.	707,623	-
Şok Marketler Ticaret A.Ş.	169,517	-
Ülker Family and Board Members	126,136	11,136
Önem Gıda San. ve Tic. A.Ş.	72,746	7,974
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	65,645	185,446
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	61,166	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	58,749	-
Ülker Bisküvi San. A.Ş.	52,989	72,970
Mevsim Taze Sebze Meyve Sanayi ve Tic. A.Ş.	49,060	29,935
Marsa Yağ San. ve Tic. A.Ş.	30,305	-
Kümaş Manyezit Sanayi A.Ş.	24,478	9,641
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	17,520	7,716
Ülker Çikolata Sanayi A.Ş.	11,374	-
Makina Takım Endüstrisi A.Ş.	10,433	11,243
CCC Gıda San. ve Tic. A.Ş.	7,876	5,865
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	5,488	18,154
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	3,732	-
Adapazarı Şeker Fabrikası A.Ş.	1,437	-
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	465	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	-	65,961
Kerevitaş Gıda San. ve Tic. A.Ş.	-	37,152
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	14,759
Dank Gıda San. ve Tic. A.Ş.	-	6,157
Della Gıda San Tic A.Ş. (Leave the group)	-	3,926
İzsal Gayrimenkul Geliştirme A.Ş.	-	3,836
Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	349
Milhans Gıda ve Tarım Ürün. San. ve Tic. A.Ş. (Leave the group)	-	49
	2,751,396	**492,269**

Trade receivables from retailed parties is mainly composed of sales transactions and approximate maturity is 30 - 60 days. Non-trade receivables are loans given to related parties, and interest is received as quarterly based on effective market interest rate. The interest rate used in 2020 is 8.5 - 16% for TRY (31 December 2019: 13 - 26.6% for TRY).

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

b) The detail of purchases from and sales to related parties is as follows:

	31 December 2020	31 December 2019
Trade Payables	229,915,919	150,930,750
	229,915,919	**150,930,750**

Payables to related parties are arised from purchases and approximately matured in between 30 and 60 days.

Balances with related parties	31 December 2020	31 December 2019
	Trading	**Trading**
Parent company		
Yıldız Holding A.Ş.	2,952,018	1,690,235
Other related parties		
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	148,254,448	98,443,386
Şok Marketler Ticaret A.Ş.	36,143,638	25,521,431
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	8,409,581	130,865
Besler Gıda ve Kimya San. ve Tic. A.Ş.	6,810,728	5,992,528
Kerevitaş Gıda San. ve Tic. A.Ş.	4,569,856	-
Most Bilgi Sistemleri Ticaret A.Ş.	4,508,636	1,854,347
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	3,977,961	4,393,860
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	3,681,269	-
Polinas Plastik San. Tic. A.Ş.	3,263,933	1,500,580
Adapazarı Şeker Fabrikası A.Ş.	3,165,957	2,874,726
Aytaç Gıda Yatırım San. Tic. A.Ş.	1,413,103	821,382
İzsal Gayrimenkul Geliştirme A.Ş.	1,335,699	399,875
Çayırovası İnşaat Taahhüt Tic. A.Ş.	296,332	182,929
Sağlam İnşaat Taahhüt Tic. A.Ş.	237,923	45,248
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	178,447	2,006
Ülker Family and Board Members	143,039	74,075
E Star GLobal E Ticaret Satış ve Pazarlama A.Ş.	136,684	56,035
Future Teknoloji Ticaret A.Ş.	136,134	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	104,505	189,686
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	86,132	72,685
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	69,719	164,017
Dank Gıda San. ve Tic. A.Ş.	23,248	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	9,576	18,338
Donuk Fırın. Ür. San. ve Tic. A.Ş.	7,353	16,132
Asil Hamur Undan Mamüller Gıda San. ve Tic. A.Ş. (Leave the group)	-	150
İstanbul Gıda Dış Tic. A.Ş. (Leave the group)	-	32,616
Marsa Yağ San. ve Tic. A.Ş.	-	35,761
Northstar Innovation A.Ş.	-	267
Pasifik Tük. Ür. Sat. ve Tic. A.Ş.	-	2,659,220
PNS Pendik Nişasta San. A.Ş.	-	172,619
Özen Kişisel Bakım Ürünleri Üretim olarak A.Ş. (Leave the group)	-	3,037,848
Teközel Gıda Tem. Sağ. Mark. Hizm. A.Ş.	-	4,251
Unmaş Unlu Mamüller San.ve Tic. A.Ş.	-	521,974
Ülker Çikolata Sanayi A.Ş.	-	21,678
	229,915,919	**150,930,750**

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The Group purchases finished goods from the related parties. Sales to related parties include premium revenues, service expenses and sales of various goods.

c) The detail of purchases from and sales to related parties is as follows:

	1 January - 31 December 2020		1 January - 31 December 2019	
Balances with related parties	**Purchases**	**Sales**	**Purchases**	**Sales**
Parent company				
Yıldız Holding A.Ş.	7,746,892	18,449	2,534,857	17,901
Other related parties				
Adapazarı Şeker Fabrikası A.Ş.	2,080,499	186,600	5,200,389	61,605
Aytaç Gıda Yatırım San. Tic. A.Ş.	8,406,000	139,407	8,311,993	40,406
Atademir Gıda San. ve Tic. A.Ş.	-	1,304	-	22,947
Azmüsebat Çelik San. Tic. A.Ş.	-	6,510	1,237,909	382
Batı Unlu Mamuller san ve Tic. A.Ş. (Leave the group)	-	-	-	391
Besler Gıda ve Kimya San. ve Tic. A.Ş.	48,663,189	3,285,692	32,958,209	336,187
Beta Marina Liman Yat ve Çekek İşletmesi A.Ş.	-	34,577	-	45,289
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	8,204,219	1,117,386	-	699,852
CCC Gıda San. ve Tic. A.Ş.	-	168,728	-	357,060
Dank Gıda San. ve Tic. A.Ş.	-	46,011	-	39,506
Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş.	42,113	-	111,160	-
Future Teknoloji Ticaret A.Ş.	75,451	2,741,056	-	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	1,230,227	530,957	167,385	325,546
Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	271	-	330
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	389,735,373	1,529	315,108,085	822
İstanbul Gıda Dış Tic. A.Ş. (Leave the group)	-	2,800	-	3,178
İzsal Gayrimenkul Geliştirme A.Ş.	-	7,161	-	3,340
Kerevitaş Gıda San. ve Tic. A.Ş.	7,632,234	164,515	-	459,100
Kümaş Manyezit Sanayi A.Ş.	-	190,415	-	139,106
Makina Takım Endüstrisi A.Ş.	-	87,063	-	24,318
Marsa Yağ San. ve Tic. A.Ş.	-	171,910	-	115,315
Mevsim Taze Sebze Meyve San. ve Tic. A.Ş	-	148,788	-	87,968
Milhans Gıda Ürün. San. Tic. A.Ş. (Leave the group)	-	-	-	35,423
Most Bilgi Sistemleri Tic A.Ş.	3,654,193	-	-	-
Most Teknoloji Çözümleri A.Ş.	1,746,951	2566	7,688,603	1,530
Northstar Innovation A.Ş.	-	269	-	-
Nesos Gıda San. A.Ş.	-	-	-	98
Önem Gıda San. ve Tic. A.Ş.	-	216,873	-	77,406
Odak Refrakter ve Madencılık San. ve Tıc. A.S.	-	-	-	633
Özen Kişisel Bakım Ürünleri Üretim A.Ş. (Leave the group)	4,698,395	33,070	8,217,343	78,588
E Star Global E-Ticaret Satış ve Paz. A.Ş.	-	937,160	87,085	-
Pasifik Tüketim Ürünleri Satış ve Ticaret A.Ş.	3,249,012	-	8,592,207	823
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	57,803	-	40,645
Penta Teknoloji Ürünleri Dağıtım Tic.A.Ş.	1,602,291	222,992	999,432	17,938
Pervin Finansal Kiralama A.Ş.	-	274	-	-
PNS Pendik Nişasta San. A.Ş.	4,341,517	52,148	7,076,827	57,564
Polinas Plastik San. Tic. A.Ş.	7,904,968	-	4,089,855	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	12,865	-	35,797
Sebat Çakmak Sınai ve Tük Mal. San. ve Tic. A.Ş. (Leave the group)	-	-	-	238
Şok Marketler Ticaret A.Ş.	181,829,600	3,712,186	121,156,541	2,213,936
Ülker Family and Board Members	63,873	2,303,276	215,583	5,655,001
Ülker Bisküvi San. A.Ş.	-	2,698,231	-	765,448
Ülker Çikolata Sanayi A.Ş.	-	2,959,695	-	296,543
Unmaş Unlu Mamuller San. ve Tic. A.Ş. (Leave the group)	926,626	39,315	1,979,225	27,006
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	30,030,264	7,799	23,570,249	13,761
Yelken Yönetim Danışmanlık ve Servis Hizmetleri A.Ş.	-	4,136	-	-
Toroslar Unlu Mamüller ve Fırıncılık A.Ş. (Leave the group)	-	-	-	29,528
	713,863,887	**22,311,787**	**549,302,937**	**12,128,455**

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

d) The detail of income and expenses pertaining to interest, rent and services arising from transactions with related parties is as follows:

1 January - 31 December 2020	**Interest income**	**Interest expense**	**Rent expense**	**Service expense**	**Service expense**
Parent company					
Yıldız Holding A.Ş.	38,726,141	(4,084,273)	-	(5,097,368)	102,668
Other related parties					
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	-	314,580
Azmüsebat Çelik San. Tic. A.Ş.	-	-	-	-	969
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	-	(694)	468
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	-	(22,070)	(5,417)	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	-	-	-	(28,250)	94,262
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	-	(320,251)	(342,239)	-
Dank Gıda San. ve Tic. A.Ş.	-	-	-	(16,053)	-
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	-	-	-	17,884
E Star Global E-Ticaret Satış ve Pazar. A.Ş.	-	-	(21,160)	-	-
Future Teknoloji Ticaret A.Ş.	-	-	-	(55,782)	397,462
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	-	(13,954)	(63,958)	877,509
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	-	(1,360)	(589)	19,088,848
İzsal Gayrimenkul Geliştirme A.Ş.	-	-	(259,119)	(589,059)	-
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	(9,099)	14,368
Marsa Yağ San. ve Tic. A.Ş.	-	-	(251,230)	(166,292)	-
Makina Takım Endüstrisi A.Ş.	-	-	(2,982)	-	-
Most Bilgi Sistemleri Tic A.Ş.	-	-	-	(4,546,868)	-
Most Teknoloji Çözümleri A.Ş.	-	(303,727)		(2,914,398)	2,548,473
Pasifik Tük. Ür. Sat. ve Tic. A.Ş.	-	-	-	-	5,050
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	-	(439,243)	(1,971)	-
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	(1,212,406)	-
Polinas Plastik San. Tic. A.Ş.	-	-	-	-	406,197
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	(1,477,859)	322,833
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	(437,026)	-	-
Şok Marketler Ticaret A.Ş.	-	-	(584,612)	-	1,236,339
Unmaş Unlu Mamuller San. ve Tic. A.Ş. (Gruptan ayrıldı).	-	-	-	-	5,155
Ülker Çikolata Sanayi A.Ş.	15,223	-	(72,800)	(27,002)	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	-	-	(86,498)	11,953
	38,741,364	**(4,388,000)**	**(2,425,807)**	**(16,641,802)**	**25,445,018**

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

1 January - 31 December 2019	**Interest income**	**Interest expense**	**Rent expense**	**Rent expense**	**Service expense**	**Service expense**
Parent company						
Yıldız Holding A.Ş.	63,880,804	(3,076,027)	-	(122,604)	(1,858,925)	100,596
Other related parties						
Aktül Kağıt Üretim Pazarlama A.Ş. (Gruptan ayrıldı.)	-	-	-	-	-	5,509
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	-	-	192,169
Azmüsebat Çelik San. Tic. A.Ş.	-	-	-	-	(49,023)	14,796
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	-	-	-	(18,231)	5,748
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	-	-	(22,339)	(9,830)	17,333
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	-	-	-	-	-	-
CCC Gıda San. ve Tic. A.Ş.	-	-	-	-	(874)	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	-	-	(350,827)	(155,858)	-
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	-	-
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	-	39,968	-	-	-
Future Teknoloji Ticaret A.Ş.	-	-	-	-	-	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	-	581,902	-	(4,458)	103,505
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	(109,354)	-	-	-	15,626,385
İzsal Gayrimenkul Geliştirme A.Ş.	-	-	-	-	(306,899)	-
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	-	-	-
Marsa Yağ San. ve Tic. A.Ş.	-	-	-	(213,704)	(148,373)	-
Makina Takım Endüstrisi A.Ş.	-	-	-	-	-	-
Most Bilgi Sistemleri Tic A.Ş.	-	-	-	-	(2,633,172)	9,557
Nissin Yildiz Gida San. ve Tic. A.S. (Gruptan ayrıldı.)	-	-	-	-	-	5,230
Önem Gıda San. ve Tic. A.Ş. (Gruptan ayrıldı.)	-	-	-	-	(859,266)	-
Pasifik Tük. Ür. Sat. ve Tic. A.Ş.	-	-	-	-	(30,135)	347
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	-	-	(447,984)	(4,259)	-
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	(41,554)	11,825
Polinas Plastik San. Tic. A.Ş.	-	-	-	-	-	72,998
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	277,560	-	(1,199,460)	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	-	(162,652)	-	-
SCA Yıldız Kağıt ve Kişisel Bakım Üretim A.Ş.	-	-	-	-	-	24,024
Şok Marketler Ticaret A.Ş.	-	(47,479)	14,195	(1,041,675)	(13,721)	847,740
Unmaş Unlu Mamuller San. ve Tic. A.Ş. (Gruptan ayrıldı).	-	-	-	-	-	12,094
Ülker Çikolata Sanayi A.Ş.	124,525	-	33,962	(657,728)	(109,010)	-
Teközel Gıda Tem. Sağ. Mark. Hizm. A.Ş.	-	-	-	-	-	8,564
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	-	-	-	(362,799)	56,017
	64,005,329	**(3,232,860)**	**947,587**	**(3,019,513)**	**(7,805,847)**	**17,114,437**

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

e) Benefits provided to board members and key management personnel:

	1 January - 31 December 2019	**1 January - 31 December 2018**
Salaries and other short-term benefits	8,095,801	5,932,367
	8,095,801	**5,932,367**

24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

1) Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk.

This risk mainly arises from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. In this regard, the Group manages this risk with a method of netting foreign currency denominated assets and liabilities. The management reviews the foreign currency open position and provide measures if required.

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONTINUED)
1) Foreign currency risk management (Continued)

The Group is mainly exposed to foreign currency risk in USD and EUR

	31 December 2020			
	TRY Equivalent (Functional Currency)	**USD**	**EUR**	**GBP**
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	7,933,450	1,037,971	33,344	1,394
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	**7,933,450**	**1,037,971**	**33,344**	**1,394**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	163,700	13,877	6,864	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	**163,700**	**13,877**	**6,864**	**-**
9. OTALASSETS	**8,097,150**	**1,051,848**	**40,208**	**1,394**
10. Trade Payables	13,059,592	1,604,985	141,897	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	**13,059,592**	**1,604,985**	**141,897**	**-**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	**-**	**-**	**-**	**-**
18. TOTAL LIABILITIES	**13,059,592**	**1,604,985**	**141,897**	**-**
19. Net foreign currency liability position (9-18)	**(4,962,442)**	**(553,137)**	**(101,689)**	**1,394**
20. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(4,962,442)**	**(553,137)**	**(101,689)**	**1,394**

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONTINUED)
1) Foreign currency risk management (Continued)

	31 December 2019			
	TRY Equivalent (Functional Currency)	**USD**	**EUR**	**GBP**
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	7,001,286	1,057,498	107,256	800
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	**7,001,286**	**1,057,498**	**107,256**	**800**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	173,430	18,000	10,000	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	**173,430**	**18,000**	**10,000**	**-**
9. OTALASSETS	**7,174,716**	**1,075,498**	**117,256**	**800**
10. Trade Payables	896,066	144,838	5,367	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	1,036,535	174,495	-	
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	**1,932,601**	**319,333**	**5,367**	**-**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	**-**	**-**	**-**	**-**
18. TOTAL LIABILITIES	**1,932,952**	**319,393**	**5,367**	**-**
19. Net foreign currency liability position (9-18)	**5,242,115**	**756,165**	**111,889**	**800**
20. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**5,242,115**	**756,165**	**111,889**	**800**

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONTINUED)
1) Foreign currency risk management (Continued)

Interest rate sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR currency exposures. In the table below, the foreign currency sensitivity of the Group arising from 20% change in US dollar and TRY rates. 20% is the rate used when reporting to senior management of the Group. This rate is the anticipated rate change of the Group's senior management. Sensitivity analysis includes only the monetary items in foreign currency at year end and shows the effect of 20% increase in US dollar and TRY foreign currency rates. Positive value implies the effect 20% increase in US dollar and TRY foreign currency.

	31 December 2020	
	Appreciation of foreign currency by 20%	**Appreciation of foreign currency by 20%**
1- US Dollar net asset/liability	(812,060)	812,060
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1+2	**(812,060)**	**812,060**
4- Other net assets/liabilities	(180,428)	180,428
5- Part of hedged from other risk (-)	-	-
6- Other net effect (4+5)	**(180,428)**	**180,428**

	31 December 2019	
	Appreciation of foreign currency by 20%	**Appreciation of foreign currency by 20%**
1- US Dollar net asset/liability	898,354	(898,354)
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1+2	**898,354**	**(898,354)**
4- Other net assets/liabilities	150,069	(150,069)
5- Part of hedged from other risk (-)	-	-
6- Other net effect (4+5)	**150,069**	**(150,069)**

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONTINUED)

2) Interest rate risk management

Financial liabilities based on fixed and floating interest rates expose the Group to interest rate risk. The related risk is controlled by interest rate swap agreements and floating interest rate agreements by balancing the fixed and floating interest rate borrowings. Risk strategies are reviewed periodically considering the interest rate expectations and predetermined interest risks; which aims to establish optimum interest risk management regarding the balance sheet position and the interest expenses.

31 December 2020	**Loans and Receivables (including cash and cash equivalents)**	**Financial Liabilities at amortized cost**	**Carrying value**	**Note**
Financial assets				
Cash and cash equiva-lents	327,222,872	-	327,222,872	3
Trade receivables	93,248,303	-	93,248,303	5
Due from related parties	2,751,396	-	2,751,396	23
Other financial assets	3,416,581	-	3,416,581	6
Financial liabilities				
Lease liabilities	-	5,755,083	5,755,083	4
Leasing Liabilities	-	202,421,119	202,421,119	4
Trade payables	-	825,693,497	825,693,497	5
Due to related parties	-	229,915,919	229,915,919	23
Other financial liabilities	-	25,728,008	25,728,008	12,13

31 December 2019	**Loans and Receivables (including cash and cash equivalents)**	**Financial Liabilities at amortized cost**	**Carrying value**	**Note**
Financial assets				
Cash and cash equiva-lents	399,037,206	-	399,037,206	3
Trade receivables	62,616,154	-	62,616,154	5
Due from related parties	492,269	-	492,269	23
Other financial assets	2,416,405	-	2,416,405	6
Financial liabilities				
Lease liabilities	-	9,133,315	9,133,315	4
Leasing Liabilities	-	163,276,037	163,276,037	4
Trade payables	-	600,763,915	600,763,915	5
Due to related parties	-	150,930,750	150,930,750	23
Other financial liabilities	-	20,556,575	20,556,575	12,13

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONTINUED)
2) Interest rate risk management (Continued)

As of 31 December 2020 and 2019 the gross payment plan of the lease liabilities which are not discounted is as follows:

31 December 2020	Net book value	Total contrac-tual cash out-flow (I+II+III+IV+V)	Less than 3 months I	3 - 12 months II	1 - 5 years III	5 years and overs IV
Lease Liabilities	202,421,119	429,938,545	19,077,534	53,995,012	202,347,923	154,518,076
Total	**202,421,119**	**429,938,545**	**19,077,534**	**53,995,012**	**202,347,923**	**154,518,076**

31 December 2019	Net book value	Total contrac-tual cash out-flow (I+II+III+IV+V)	Less than 3 months I	3 - 12 months II	1 - 5 years III	5 years and overs IV
Lease Liabilities	163,276,037	360,074,366	14,824,660	42,630,810	174,657,295	127,961,601
Total	**163,276,037**	**360,074,366**	**14,824,660**	**42,630,810**	**174,657,295**	**127,961,601**

3) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 4, other receivables from related parties and other payables to related parties disclosed in Note 23, cash and cash equivalents disclosed in Note 3 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 14.

Group management reviews capital based on the leverage ratio to be consistent with other companies in industry. This ratio is calculated as net debt divided by the total capital amount. Net debt is calculated as total liability amount (comprises of borrowings, other receivables from related parties and other payables to related parties and interest bearing other payables to non-related parties) less cash and cash equivalents. Total capital is calculated as shareholders' equity plus the net debt amount as presented in the consolidated balance sheet.

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24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONTINUED)
3) Capital risk management (Continued)

	31 December 2020	31 December 2019
Total financial payables and non-trade payables to related parties (*)	5,755,083	9,133,315
Negative: cash and cash equivalents	(500,788,478)	(402,750,436)
Net debt	(495,033,395)	(393,617,121)
Total equity	171,722,659	151,683,554
Total capital	(323,310,736)	(241,933,567)
Net debt/equity rate (%)	0%	0%

(*) TFRS 16 impact is not included.

25. EVENTS AFTER REPORTING DATE

None.

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APPENDIX-1 SUPPLEMENTARY OTHER INFORMATIONS

As a supportive information note not required by TFRS, it has been evaluated as important by the Group management to show its financial performance, and the calculation table of Earnings Before Interest, Amortization, Depreciation and Tax (EBITDA) and Earnings Before Interest, Depreciation, Amortization, Taxes and Lease Expenses (EBITDA) presented below. The Group calculates (EBITDA) amount by subtracting the period profit, tax expense, financing expenses and expenses from investment activities from the period loss amount in the profit or loss statement and adding the depreciation expense and amortization. EBITDA is prepared by adding other income expenses from operating activities to EBITDA. EBITDA amount is calculated by adding rental expenses to the EBITDA. EBITDA is not a measurement criterion under TFRS. In addition, it has been included in the figures before TFRS 16 to be comparable.

	Current Period	Prior Period
	1 January - 31 December 2020	1 January - 31 December 2019
NET PROFIT FOR THE YEAR (without TFRS 16)	**46,804,619**	**43,483,531**
NET PROFIT FOR THE YEAR	**38,182,719**	**33,075,535**
Tax Expense (without TFRS 16)	**(12,810,303)**	**(11,420,171)**
Tax Expense	**(10,378,485)**	**(8,484,582)**
PROFIT BEFORE TAX (without TFRS 16)	**59,614,922**	**54,903,702**
PROFIT BEFORE TAX	**48,561,204**	**41,560,117**
Financial Expenses (-) (without TFRS 16)	(48,064,505)	(70,813,266)
Financial Expenses (-)	(90,817,753)	(109,171,640)
Income (Expense) from Investing Activities	45,092,048	71,801,100
Amortization Expense (without TFRS 16)	(36,905,768)	(30,863,783)
Amortization Expense	(76,039,609)	(66,907,548)
Other Income/(Expense) from Operating Activities	(81,776,875)	(113,339,209)
EBITDA (without TFRS 16)	**181,270,022**	**198,118,860**
EBITDA	**252,103,393**	**259,177,413**
Warehouse, center and shop lease expense (without TFRS 16)	73,879,914	66,754,070
Warehouse, center and shop lease expense	3,046,543	5,680,267
EBITDA (without TFRS 16)	**255,149,936**	**264,872,930**
EBITDAL	**255,149,936**	**264,857,680**

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APPENDIX-1 SUPPLEMENTARY OTHER INFORMATIONS (CONTINUED)

Financial statements of the group excluding TFRS 16 Leasing Standard is applied are presented comparatively below:

	Current Period	Prior Period
	1 January - 31 December 2020	1 January - 31 December 2019
Assets		
Current Assets	**1,059,312,235**	**773,014,184**
Cash and Cash Equivalents	500,788,478	402,750,436
Trade Receivables	95,999,699	62,616,154
Other Receivables	239,758	-
Inventories	437,496,239	296,428,554
Prepaid Expenses	24,783,856	11,219,040
Other assets	4,205	-
Non-Current Assets	**284,133,620**	**217,699,960**
Other Receivables	3,176,823	2,416,405
Tangible Assets	240,562,609	174,410,656
Intangible Assets	34,859,528	38,323,354
Prepaid Expenses	1,795,287	2,411,750
Deferred Tax Assets	3,739,373	137,795
Total Assets	**1,343,445,855**	**990,714,144**

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APPENDIX-1 SUPPLEMENTARY OTHER INFORMATIONS (CONTINUED)

	Current Period	Prior Period
	1 January - 31 December 2020	**1 January - 31 December 2019**
LIABILITIES		
Current Liabilities	**1,132,728,403**	**809,145,184**
Short-term Borrowings	3,777,061	5,747,350
Trade Payables	1,055,609,416	751,694,665
Liabilities for Employee Benefits	14,492,875	13,237,201
Deferred Revenue	6,822,996	1,702,749
Deferred Tax Liabilities	6,635,160	585,700
Short-term Provisions	34,155,762	28,858,145
Other Current Liabilities	11,235,133	7,319,374
Non-Current Liabilities	**38,994,793**	**29,885,406**
Long-term Borrowings	1,978,022	3,385,965
Long-term Provisions	31,207,744	22,592,289
Deferred Tax Liabilities	5,367,407	2,935,589
Deferred Revenue	441,620	971,563
EQUITY	**171,722,659**	**151,683,554**
Shareholders' equity	**171,723,331**	**151,683,554**
Share Capital	60,000,000	60,000,000
Advance of capital	-	13,570,500
Treasury shares	(13,533,492)	(13,533,492)
Other Comprehensive/Expense not to be Reclassified Subsequently to Profit or Loss	(21,965,778)	(17,034,648)
Restricted Reserves Appropriated from Profits	12,706,557	12,179,669
Retained Earnings	87,705,753	53,017,994
Net Profit for the Year	46,810,291	43,483,531
Non-controlling interest	(672)	-
Total Liabilities	**1,343,445,855**	**990,714,144**

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APPENDIX-1 SUPPLEMENTARY OTHER INFORMATIONS (CONTINUED)

	Current Period	Prior Period
PROFIT OR LOSS	**1 January - 31 December 2020**	**1 January - 31 December 2019**
Revenue	5,361,820,597	4,520,672,511
Cost of Sales (-)	(4,780,180,603)	(4,005,212,864)
GROSS PROFIT	**581,639,994**	**515,459,647**
Marketing Expenses (-)	(372,775,924)	(298,529,175)
General Administrative Expenses (-)	(64,499,816)	(49,675,395)
Other Income from Operating Activities	15,915,693	18,898,955
Other Expenses from Operating Activities (-)	(97,692,568)	(132,238,164)
OPERATING PROFIT/	**62,587,379**	**53,915,868**
Income from Investing Activities	47,328,621	74,358,011
Expense from Investing Activities (-)	(2,236,573)	(2,556,911)
PROFIT BEFORE FINANCE EXPENSES	**107,679,427**	**125,716,968**
Financial Expenses (-)	(48,064,505)	(70,813,266)
Profit Before Tax	**59,614,922**	**54,903,702**
Tax Expense	**(12,810,303)**	**(11,420,171)**
Current Tax Expense	(12,747,281)	(9,112,087)
Deferred Tax Income	(63,022)	(2,308,084)
Net Profit for the Year	**46,804,619**	**43,483,531**
NET PROFIT FOR THE YEAR		
Non-controlling interest	(5,672)	-
Equity holders of the parent	46,810,291	43,483,531
Earnings per share (TRY)	0,795	0,739
OTHER COMPREHENSIVE EXPENSE	**(4,931,130)**	**(5,349,978)**
Items not to be reclassified to profit or loss	(4,931,130)	(5,349,978)
Defined benefit plans re-measurement losses	(6,163,912)	(6,687,473)
Items not to be reclassified to profit or loss	1,232,782	1,337,495
Other comprehensive expenses on taxes Deferred tax income	1,232,782	1,337,495
TOTAL COMPREHENSIVE INCOME	**41,873,489**	**38,133,553**
Distribution of total other comprehensive income		
Non-controlling interest	(5,672)	-
Equity holders of the parent	41,879,161	38,133,553

Contact

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