

**(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

**BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS AS OF
1 JANUARY - 30 JUNE 2022
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Bizim Toptan Satış Mağazaları A.Ş.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bizim Toptan Satış Mağazaları A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2022 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows and other explanatory notes (Notes 1-25) for the six-month period then ended. The management of the Group is responsible for the preparation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.



Other information

Management is responsible for the other information. The other information comprises the Appendix added including the "Other information" section and is not part of the accompanying interim condensed consolidated financial information and our auditor's report thereon.

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

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

Additional explanation for convenience translation into English

As disclosed in Note 2.1 to the accompanying interim condensed consolidated financial information Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of and for the 6-month period ended 30 June 2022. Therefore, the accompanying interim condensed consolidated financial information is not intended to present fairly the consolidated financial position of the Group as of 30 June 2022 and the results of its operations for the 6-month period then ended in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke at the end.

Adnan Akan, SMMM
Partner

Istanbul, 16 August 2022

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INDEX	PAGE
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	1-2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	6-47
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	6
NOTE 2 BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION	7-9
NOTE 3 CASH AND CASH EQUIVALENTS.....	10
NOTE 4 BORROWINGS.....	10-11
NOTE 5 TRADE RECEIVABLES AND PAYABLES.....	12
NOTE 6 OTHER RECEIVABLES AND PAYABLES.....	13
NOTE 7 INVENTORIES.....	13
NOTE 8 PREPAID EXPENSES AND DEFERRED INCOME.....	14
NOTE 9 TANGIBLE ASSETS AND RIGHT OF USE ASSETS	15-18
NOTE 10 INTANGIBLE ASSETS	19-20
NOTE 11 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS	21-22
NOTE 12 SHORT AND LONG-TERM EMPLOYEE BENEFITS	23-24
NOTE 13 OTHER ASSETS AND LIABILITIES	25
NOTE 14 SHAREHOLDERS' EQUITY	25-26
NOTE 15 REVENUE AND COST OF SALES	26
NOTE 16 GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES	27
NOTE 17 EXPENSES BY NATURE.....	27-28
NOTE 18 OTHER OPERATING INCOME/EXPENSE.....	28
NOTE 19 INCOME RELATED TO INVESTING ACTIVITIES	29
NOTE 20 FINANCE EXPENSE	29
NOTE 21 INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES).....	30-32
NOTE 22 EARNINGS PER SHARE	32
NOTE 23 BALANCES AND TRANSACTIONS WITH RELATED PARTIES	33-40
NOTE 24 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS.....	40-44
NOTE 25 EVENTS AFTER REPORTING DATE	44
OTHER INFORMATION	
APPENDIX - OTHER INFORMATION.....	45-47

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

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

ASSETS	Notes	Current Period	Prior Period
		31 June 2022	31 December 2021
Current Assets		2,401,926,034	1,540,869,062
Cash and Cash Equivalents	3	365,841,879	585,389,621
Trade Receivables		309,394,375	173,585,414
<i>Due from Related Parties</i>	5. 23	8,649,603	6,872,024
<i>Due from Non-Related Parties</i>	5	300,744,772	166,713,390
Other Receivables		1,754,154	1,505,217
<i>Other Receivables from-Related Parties</i>	6.23	-	1,426,957
<i>Other Receivables from Non-Related Parties</i>	6	1,754,154	78,260
Inventories	7	1,612,049,045	733,557,865
Prepaid Expenses	8	88,986,620	42,870,580
Other Current Assets		23,899,961	3,960,365
Non-Current Assets		752,872,104	597,627,987
Other Receivables		8,326,328	4,487,429
<i>Other Receivables from Non-Related Parties</i>	6	8,326,328	4,487,429
Tangible Assets	9	390,755,270	299,449,463
Right of Use Assets	9	248,087,783	197,184,132
Intangible Assets	10	53,075,031	58,900,435
Prepaid Expenses	8	-	165,219
Deferred Tax Assets	21	52,627,692	37,441,309
TOTAL ASSETS		3,154,798,138	2,138,497,049

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 30 JUNE 2022

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

LIABILITIES	Notes	Current Period 30 June 2022	Prior Period 31 December 2021
Current Liabilities		2,632,984,765	1,730,315,335
Short-term Borrowings		99,396,177	77,947,066
- <i>Financial Lease Obligations</i>	4	472,196	904,083
- <i>Lease Liabilities due to Related Parties</i>	4	300,447	251,248
- <i>Lease Liabilities due to Non-Related Parties</i>	4	98,623,534	76,791,735
Trade Payables		2,330,424,859	1,540,384,205
- <i>Due to Related Parties</i>	5.23	243,577,574	244,734,390
- <i>Due to Non-Related Parties</i>	5	2,086,847,285	1,295,649,815
Other Payables		617,924	-
- <i>Due to Related Parties</i>	5.23	617,924	-
Liabilities for Employee Benefits	12	59,703,022	19,589,604
Deferred Income	8	20,796,633	10,182,487
Current Income Tax Liabilities	21	14,939,680	21,505,163
Short-term Provisions		100,066,459	54,698,101
- <i>Provision for Employee Benefits</i>	12	55,943,584	27,703,064
- <i>Other Short-term Provisions</i>	11	44,122,875	26,995,037
Other Current Liabilities		7,040,011	6,008,709
- <i>Other Current Liabilities to Related Parties</i>	13	72,667	22,365
- <i>Other Current Liabilities to Non-related Parties</i>	13	6,967,344	5,986,344
Non-Current Liabilities		244,876,063	192,086,824
Long-term Borrowings		180,649,775	143,913,801
- <i>Financial Lease Obligations</i>	4	1,079,277	1,133,526
- <i>Lease Liabilities due to Related Parties</i>	4	789,926	686,906
- <i>Lease Liabilities due to Non-Related Parties</i>	4	178,780,572	142,093,369
Long-term Provisions		58,447,828	42,240,820
- <i>Provision for Employee Benefits</i>	12	58,447,828	42,240,820
Deferred Income	8	5,778,460	5,932,203
EQUITY		276,937,310	216,094,890
Shareholders' Equity		276,964,057	216,118,005
Share Capital	14	60,000,000	60,000,000
Treasury share		(13,533,492)	(13,533,492)
Other Comprehensive Expense not to be			
Reclassified to Profit or Loss		(22,196,670)	(21,566,572)
- <i>Defined benefit plans remeasurement losses</i>	14	(22,196,670)	(21,566,572)
Restricted Reserves Appropriated from Profits	14	14,330,810	14,330,810
Retained Earnings	14	176,887,259	94,619,369
Net Profit for the Year		61,476,150	82,267,890
Non-Controlling Interests		(26,747)	(23,115)
TOTAL LIABILITIES		3,154,798,138	2,138,497,049

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE 6-MONTH PERIOD ENDED 30
JUNE 2022**

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

		Current Period	Current Period	Prior Period	Prior Period
		1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Profit or loss	Notes				
Revenue	15	5,495,924,408	3,147,837,902	3,075,766,188	1,629,010,529
Cost of sales (-)	15	(4,645,182,416)	(2,659,225,374)	(2,718,997,755)	(1,446,427,226)
Gross profit		850,741,992	488,612,528	356,768,433	182,583,303
Marketing expenses (-)	16, 17	(453,487,055)	(254,516,254)	(212,622,912)	(109,611,779)
General administrative expenses (-)	16, 17	(99,072,332)	(51,818,076)	(39,687,131)	(19,759,403)
Other income from operating activities	18	35,719,954	21,411,467	27,199,003	15,807,346
Other expenses from operating activities (-)	18	(177,778,966)	(105,053,740)	(94,117,321)	(46,862,328)
Operating profit		156,123,593	98,635,925	37,540,072	22,157,139
Income from investing activities	19	33,563,876	13,953,031	25,037,493	12,884,614
Expenses from investing activities (-)	19	(700,303)	(700,303)	(1,079,887)	(838,769)
Profit before finance expense		188,987,166	111,888,653	61,497,678	34,202,984
Financial expense (-)	20	(93,614,871)	(55,021,115)	(55,219,945)	(28,370,257)
Profit before tax		95,372,295	56,867,538	6,277,733	5,832,727
Tax expense		(33,899,777)	(20,441,210)	(28,388)	(8,466)
Current tax expense	21	(48,928,635)	(19,778,335)	-	-
Deferred tax income	21	15,028,858	(662,875)	(28,388)	(8,466)
NET PROFIT FOR THE YEAR		61,472,518	36,426,328	6,249,345	5,824,261
Net-loss attributable to					
Non-controlling interest		(3,632)	-	(24,079)	(6,216)
Equity holders of parent		61,476,150	36,426,328	6,273,424	5,830,477
Earnings per share (TRY)	22	1.025	0.607	0.106	0.099
OTHER COMPREHENSIVE EXPENSE		(630,098)	(3,203,716)	(871,183)	(500,266)
Items not to be reclassified to profit or loss		(630,098)	(3,203,716)	(871,183)	(500,266)
Defined benefit plans re-measurement losses	14	(787,623)	(4,004,647)	(1,088,979)	(625,333)
Items not to be reclassified to profit or loss taxes for other comprehensive income	21	157,525	800,931	217,796	125,067
Deferred tax income	21	157,525	800,931	217,796	125,067
TOTAL COMPREHENSIVE INCOME		60,842,420	33,222,612	5,378,162	5,323,995
Distribution of total other comprehensive income					
Non-controlling interest		(3,632)	-	(24,079)	(6,216)
Equity holders of parent		60,846,052	33,222,612	5,402,241	5,330,211

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

(Amount expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Share capital	Treasury share	Other comprehensive income/expense not to be reclassified to profit or loss	Restricted reserves appropriated from profits	Retained earning		Shareholder's equity	Non-controlling interest	Total
				Revaluation and remeasurement loss		Actuarial loss of provision of termination indemnity	Retained earnings			
Balance as of 1 January 2021		60,000,000	(13,533,492)	(21,965,778)	12,706,557	77,297,757	38,188,391	152,693,435	(672)	152,692,763
Transfers	14	-	-	-	-	38,188,391	(38,188,391)	-	-	-
Dividends	14	-	-	-	-	(19,242,526)	-	(19,242,526)	-	(19,242,526)
Total comprehensive income	14	-	-	(871,183)	-	-	6,273,424	5,402,241	(24,079)	5,378,162
Balance as of 30 June 2021		60,000,000	(13,533,492)	(22,836,961)	12,706,557	96,243,622	6,273,424	138,853,150	(24,751)	138,828,399
Balance as of 1 January 2022		60,000,000	(13,533,492)	(21,566,572)	14,330,810	94,619,369	82,267,890	216,118,005	(23,115)	216,094,890
Transfers	14	-	-	-	-	82,267,890	(82,267,890)	-	-	-
Total comprehensive income	14	-	-	(630,098)	-	-	61,476,150	60,846,052	(3,632)	60,842,420
Balance as of 30 June 2022		60,000,000	(13,533,492)	(22,196,670)	14,330,810	176,887,259	61,476,150	276,964,057	(26,747)	276,937,310

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

(Amount expressed in Turkish Lira ("TRY") unless otherwise indicated.)

		<u>Current Period</u>	<u>Prior Period</u>
	<u>Notes</u>	<u>1 January - 30 June 2022</u>	<u>1 January - 30 June 2021</u>
A. Cash flows from operating activities		(96,003,778)	35,374,119
Net profit for the period		61,472,518	6,249,345
Adjustments to reconcile net profit to net cash			
Adjustments for depreciation and amortisation expense	9, 10	62,670,034	42,880,657
Adjustments related to provisions	11, 12	95,905,601	20,188,107
Provision for inventory impairment	7	(24,500,000)	318,842
Adjustments for losses on disposal of fixed assets	19	700,303	1,079,887
Adjustment for profit/(loss) reconciliation		37,297,018	5,701,392
Interest income/expenses	19, 20	28,226,681	30,447,424
Income tax expense	21	33,899,777	28,388
Changes in working capital		(298,232,694)	(43,844,140)
Changes in trade receivables		(135,808,961)	(70,648,225)
Changes in inventories		(853,991,180)	(97,964,602)
Increase/(decrease) in other receivables and current assets		(24,027,432)	(5,138,508)
Changes in prepaid expenses		(45,950,821)	4,010,243
Changes in trade payables		709,322,653	123,683,420
Increase/(decrease) in other payables and current liabilities		52,223,047	2,213,532
Cash generated from operating activities		(2,560,762)	63,049,902
Income taxes paid	21	(55,494,118)	(8,871,888)
Employee benefits paid	12	(37,948,898)	(18,803,895)
B. Cash flows from investing activities		(6,879,583)	(29,073,481)
Proceeds from sale of tangible and intangible assets		-	4,547,909
Cash outflows of purchases of tangible and intangible assets		(38,441,192)	(58,393,911)
Interest received	19	31,561,609	24,772,521
C. Cash flows from financing activities		(116,664,381)	(73,745,198)
Cash inflows/(outflows) from bank borrowings		-	(224,093)
Cash outflows of payment borrowings due from leasing agreements	4	(2,799,555)	(2,629,908)
Cash outflows of payment borrowings due from lease liabilities		(54,579,686)	(37,785,495)
Interest paid	20	(59,285,140)	(33,105,702)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	3	(219,547,742)	(67,444,560)
D. Cash and cash equivalents at the beginning of the year	3	585,389,621	500,788,478
Cash and cash equivalents at the end of the year (A+B+C+D)	3	365,841,879	433,343,918

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

(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 175 stores in 71 cities as of 30 June 2022 (31 December 2021: 173 stores in 70 cities). As of 30 June 2022, the number of personnel is 2,732 (31 December 2021: 2,597). The Group has 2,033 franchise shops as of 30 June 2022 (31 December 2021: 1,726).

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 30 June 2022, the names and percentages of the shareholders of the Group’s share capital are as follows:

Name of the Shareholders (*)	(%)	30 June 2022	(%)	30 June 2021
Yıldız Holding A.Ş.	55.19	33,111,291	55.19	33,111,291
Public quotation	44.81	26,888,709	44.81	26,888,709
	100	60,000,000	100	60,000,000

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

Subsidiary company	30 June 2022	31 December 2021
SEÇ Marketçilik A.Ş. (*)	90.00	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 Interim Condensed Consolidated Financial Statements:

These interim condensed consolidated financial statements have been presented for the approval of the Board of Directors and given authority to publish as of 16 August 2022. General Assembly has the right to change these interim condensed consolidated financial statements.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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 interim condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) and in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

The interim condensed consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

The Group prepared its interim condensed consolidated financial statements for the period ended 30 June 2022 in accordance with TAS 34 “Interim Reporting” standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

These condensed consolidated financial statements are not prepared according to International Financial Reporting Standards. They deviate from IFRS due to the following:

The Turkish economy qualifies as a hyperinflationary one with effect from 31 March 2022 from IFRS standpoint.

On January 20, 2022, the Public Oversight Authority (“POA”) made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of the preparation date of these interim condensed consolidated financial statements, no further announcement has been made by POA on this subject. Consequently, TAS 29 has not been taken into account and no inflation adjustments were made for the 6-month period ended and as of 30 June 2022.

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.

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.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of the presentation (Continued)

Principles Regarding Consolidation (Continued)

(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.

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 30 June 2022, 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 30 June 2022:*

- **Amendment to TFRS 16, ‘Leases’ - Covid-19 related rent concessions;** As of March 2022, this change has been extended to June 2022 and is effective from 1 April 2022. 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 2021, 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.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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 30 June 2022:

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

- **Amendments to TFRS 3**, ‘Business combinations’ update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to TAS 16**, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to TAS 37**, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial instruments’, the Illustrative Examples accompanying TFRS 16, ‘Leases’.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

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.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

3. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Cash on hand	17,514,166	8,949,944
Demand deposits	55,953,243	34,039,042
Time deposits (*)	248,308,388	460,875,058
Credit card receivables	44,066,082	81,525,577
Cash and cash equivalents	365,841,879	585,389,621

(*) The majority of time deposits have overnight maturities. The average interest rate in 2022 is 18.0%.

The maturity details of credit card receivables as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
To be paid within 1 month	37,850,654	71,639,708
To be paid within 2 - 3 months	6,215,428	9,885,869
Total	44,066,082	81,525,577

4. BORROWINGS

	30 June 2022	31 December 2021
Financial leasing borrowings		
To be paid within 1 year	619,521	1,186,357
To be paid within 2 - 4 years	1,186,819	1,259,410
Present value of finance charges	(254,867)	(408,158)
Present value of finance lease obligations	1,551,473	2,037,609
Amounts due to settlement within 12 months	472,196	904,083
Amounts due for settlement after 12 months	1,079,277	1,133,526
Lease Liabilities		
To be paid within 1 year	98,923,981	77,042,983
Longer than one year	179,570,498	142,780,275
Present value of lease liabilities	278,494,479	219,823,258
Lease Liabilities to related parties		
To be paid within 1 year	300,447	251,248
Longer than one year	789,926	686,906
Present value of lease liabilities	1,090,373	938,154

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

4. BORROWINGS (Continued)

Financial lease movements	30 June 2022	30 June 2021
Balance at beginning of the year	2,037,609	5,755,083
Accrued interest	2,313,419	196,727
Paids	(2,799,555)	(2,629,908)
Closing balance	1,551,473	3,321,902

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

Currency	30 June 2022		
	Discount range (%)	Short-term (%)	Long-term (%)
RY	39.7 - 53.4	14.7 – 33.9	12.2 - 53.4

Currency	31 December 2021		
	Discount range (%)	Short-term (%)	Long-term (%)
TRY	11-28.6	11-12	12-28.6
EUR	4-6.2	4-5.5	5.8-6.2
USD	5-7.6	5-6.8	7-7.6

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 TRY15,615,875 (31 December 2021: TRY16,359,935)

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 2021: 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.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

5. TRADE RECEIVABLES AND PAYABLES

Current trade receivables	30 June 2022	31 December 2021
Trade receivables	320,391,403	185,021,036
Trade receivables from related parties (Note 23)	8,649,603	6,872,024
Notes receivable	99,999	31,747
Allowance for doubtful receivables (-)	(19,746,630)	(18,339,393)
Total current trade receivables	309,394,375	173,585,414

As of 30 June 2022, the average period for the sale of goods is 8 days (31 December 2021: 6.5 days).

Trade receivables are carried at amortized cost and are calculated over discount rate of 15.91% (31 December 2021: 17.8%).

The movement of the allowance for doubtful receivables as of 30 June 2022 and 30 June 2021 are as follows:

Movement of allowance for doubtful receivables	30 June 2022	30 June 2021
Balance at beginning of the year	(18,339,393)	(15,081,695)
	(2,660,975)	-
Amounts recovered during the year	1,253,738	304,874
Closing balance	(19,746,630)	(14,776,821)

Current trade payables	30 June 2022	31 December 2021
Trade payables	2,086,847,285	1,295,649,815
Trade payables to related parties (Note 23)	243,577,574	244,734,390
Total current trade payables	2,330,424,859	1,540,384,205

Average payment period for trade payables varies depending on the sector and suppliers. As of 30 June 2022, the average payment period, although varies as per the product categories is 69.8 days (31 December 2021: 71.7 days).

Trade payables are carried at amortized cost and are calculated over discount rate of 15.91% (31 December 2021: 17.8%).

Qualification and level of risks on trade receivables and trade payables explained in Note 24.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

6. OTHER RECEIVABLES AND PAYABLES

Short-term other receivables	30 June 2022	31 December 2021
Non-trade receivables from related parties (Note 23)	-	1,426,957
Receivables from personnel	1,754,154	78,260
	1,754,154	1,505,217
Long-term other receivables	30 June 2022	31 December 2021
Deposits and guarantees given	8,326,328	4,487,429
	8,326,328	4,487,429
Short-term other receivables	30 June 2022	31 December 2021
Non-trade payables from related parties (Note 23)	617,924	-
	617,924	-

7. INVENTORIES

	30 June 2022	31 December 2021
Trade goods	1,663,048,566	767,029,237
Other inventory	7,773,310	801,459
Provisions for inventories	(58,772,831)	(34,272,831)
	1,612,049,045	733,557,865

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

8. PREPAID EXPENSES AND DEFERRED INCOMES

a) Prepaid Expenses

Short-term Prepaid Expenses	30 June 2022	31 December 2021
Advances given for inventories	80,955,345	37,653,768
Prepaid expenses for rent	3,065,188	353,597
Other prepaid expenses	2,634,287	1,490,742
Prepaid expenses for insurance	2,331,800	3,372,473
	88,986,620	42,870,580

Long-term Prepaid Expenses	30 June 2022	31 December 2021
Future expenses	-	165,219
	-	165,219

b) Deferred Revenue

Short-term deferred revenue	30 June 2022	31 December 2021
Advances received	19,592,742	7,463,560
Other deferred revenue	1,203,891	2,718,927
	20,796,633	10,182,487

Long-term deferred revenue	30 June 2022	31 December 2021
Other deferred revenue	5,778,460	5,932,203
	5,778,460	5,932,203

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

9. TANGIBLE ASSETS AND RIGHT OF USE ASSETS

a) Movements of tangible assets between 1 January 2022 and 30 June 2022 are as follows:

	<u>Furniture and Fixture</u>	<u>Other Tangible Fixed Assets</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost Value</u>				
Opening balance as of 1 January 2022	248,068,942	68,564,456	223,156,078	539,789,476
Additions	12,887,991	90,180,548	14,354,251	117,422,790
Disposals	-	-	-	-
Transfers	323,011	(24,641,276)	24,318,265	-
Closing balance as of 30 June 2022	261,279,944	134,103,728	261,828,594	657,212,266
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2022	(133,097,763)	(17,837,070)	(89,405,180)	(240,340,013)
Additions	(11,804,156)	(3,451,700)	(10,861,127)	(26,116,983)
Disposals	-	-	-	-
Closing balance as of 30 June 2022	(144,901,919)	(21,288,770)	(100,266,307)	(266,456,996)
Net book value as of 30 June 2022	116,378,025	112,814,958	161,562,287	390,755,270

Depreciation expense of TRY25,514,919 has been charged in marketing sales and distribution expenses and TRY7,463,569 in general administrative expenses.

As of 1 January 2022 - 30 June 2022, there are no property, plant and equipment by financial lease.

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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

a) Movements of tangible assets between 1 January 2021 and 30 June 2021 are as follows:

	<u>Furniture and Fixture</u>	<u>Other Tangible Fixed Assets</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost Value</u>				
Opening balance as of 1 January 2021	187,195,019	80,893,797	178,423,836	446,512,652
Additions	3,270,117	17,109,439	6,156,018	26,535,574
Disposals	(407,379)	(4,587,431)	(2,384,378)	(7,379,188)
Transfers	11,190,878	(20,779,158)	7,422,782	(2,165,498)
Closing balance as of 30 June 2021	201,248,635	72,636,647	189,618,258	463,503,540
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2021	(115,141,286)	(16,303,842)	(74,504,915)	(205,950,043)
Additions	(8,516,886)	(2,238,235)	(7,760,778)	(18,515,899)
Disposals	319,142	52,439	1,411,303	1,782,884
Closing balance as of 30 June 2021	(123,339,030)	(18,489,638)	(80,854,390)	(222,683,058)
Net book value as of 30 June 2021	77,909,605	54,147,009	108,763,868	240,820,482

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

As of 30 June 2021, depreciation expense of TRY18,735,123 has been charged in marketing sales and distribution expenses and TRY2,508,199 in general administrative expenses.

As of 1 January 2021 - 30 June 2021, there are no property, plant and equipment by financial lease.

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

The useful lives of tangible assets are as follows:

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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

b) Movements of right of use assets between 1 January 2022 and 30 June 2022 are as follows:

	<u>Stores</u>	<u>Vehicles</u>	<u>Warehouses</u>	<u>Total</u>
<u>Cost Value</u>				
Opening balance as of 1 January 2022	267,885,911	30,937,079	9,292,826	308,115,816
Additions	65,258,056	7,768,938	7,568,204	80,595,198
Closing balance as of 30 June 2022	333,143,967	38,706,017	16,861,030	388,711,014
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2022	(94,098,682)	(13,106,173)	(3,726,829)	(110,931,684)
Charge for the period	(22,336,151)	(5,715,308)	(1,640,088)	(29,691,547)
Closing balance as of 30 June 2022	(116,434,833)	(18,821,481)	(5,366,917)	(140,623,231)
Net book value as of 30 June 2022	216,709,134	19,884,536	11,494,113	248,087,783

As of 30 June 2022, depreciation expense of TRY28,527,181 has been charged in marketing sales and distribution expenses and TRY1,164,366 in general administrative expenses.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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

a) Movements of right of use assets between 1 January 2021 and 30 June 2021 are as follows:

	<u>Stores</u>	<u>Vehicles</u>	<u>Warehouses</u>	<u>Total</u>
<u>Cost Value</u>				
Opening balance as of 1 January 2021	220,770,583	23,765,681	5,412,874	249,949,138
Additions	23,810,871	4,264,952	278,709	28,354,532
Disposals	(4,451,486)	(1,629,955)	-	(6,081,441)
Closing balance as of 30 June 2021	240,129,968	26,400,678	5,691,583	272,222,229
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2021	(57,959,176)	(5,523,951)	(2,323,361)	(65,806,488)
Charge for the period	(16,743,052)	(4,213,773)	(680,510)	(21,637,335)
Disposals	2,785,447	712,345	-	3,497,792
Closing balance as of 30 June 2021	(71,916,781)	(9,025,379)	(3,003,871)	(83,946,031)
Net book value as of 30 June 2021	168,213,187	17,375,299	2,687,712	188,276,198

As of 30 June 2021, depreciation expense of TRY19,769,281 has been charged in marketing sales and distribution expenses and TRY1,868,054 in general administrative expenses.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

10. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2021 - 30 June 2022 are as follows:

<u>Cost Value</u>	<u>Franchising Rights</u>	<u>Rights</u>	<u>Total</u>
Opening balance as of 1 January 2022	26,724,490	48,932,758	75,657,248
Additions	-	1,036,100	1,036,100
Closing balance as of 30 June 2022	26,724,490	49,968,858	76,693,348
<u>Accumulated Depreciation</u>			
Opening balance as of 1 January 2022	-	(16,756,813)	(16,756,813)
Charge for the period	-	(6,861,504)	(6,861,504)
Closing balance as of 30 June 2022	-	(23,618,317)	(23,618,317)
Net book value as of 30 June 2022	26,724,490	26,350,541	53,075,031

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, 30.0% in 2022, 30.0% in 2023, 30.0% in 2024, 30.0% in 2025 and in 2026 30.0% discount rate and 15% 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 30 June 2022 (31 December 2021: None).

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

10. INTANGIBLE ASSETS (Continued)

Movements of intangible assets between 1 January 2021 - 30 June 2021 are as follows:

<u>Cost Value</u>	<u>Franchising Rights</u>	<u>Rights</u>	<u>Total</u>
Opening balance as of 1 January 2021	26,724,490	17,833,155	44,557,645
Additions	-	3,753,374	3,753,374
Transfers	-	2,165,498	2,165,498
Closing balance as of 30 June 2021	26,724,490	23,752,027	50,476,517
<u>Accumulated Depreciation</u>			
Opening balance as of 1 January 2021	-	(9,698,117)	(9,698,117)
Charge for the period	-	(2,727,423)	(2,727,423)
Closing balance as of 30 June 2021	-	(12,425,540)	(12,425,540)
Net book value as of 30 June 2021	26,724,490	11,326,487	38,050,977

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

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

	<u>Useful Life</u>
Rights	3 - 5 years
Franchising rights	Unlimited

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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

Current provisions	30 June 2022	31 December 2021
Provision for lawsuits	28,713,616	18,829,646
Provision for sales activities (*)	6,507,980	5,073,447
Other provisions	8,901,279	3,091,944
	44,122,875	26,995,037

(*) Activity provisions consist of the money point campaign applications organized by the Group to support sales in the current period.

The movement of the legal case provision for the years ended 30 June 2022 and 30 June 2021 are as follows:

a) Lawsuits Filed by and Against to the Group

Lawsuits filed by the Group:

	30 June 2022	31 December 2021
Enforcement suits	14,997,750	11,009,761
Compensation suits	13,715,866	7,819,885
	28,713,616	18,829,646

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022

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

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

b) Guarantees Given

Deposits and Guarantees given	30 June 2022			31 December 2021		
	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 (*)	266,584,764	266,584,764	-	209,116,313	75,212,429	10,028,000
ii. Total GPL given in the name of other Group Companies not included in article B and C	-	-	-	-	-	-
not included in article C	-	-	-	-	-	-
Total	266,584,764	266,584,764	-	209,116,313	75,212,429	10,028,000

(*) 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 USD10,028,324 + 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 TRY266,584,764 (31 December 2021: TRY209,116,313).

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

12. SHORT AND LONG-TERM EMPLOYEE BENEFITS

Short-term provisions	30 June 2022	31 December 2021
Due to personnel	46,156,928	25,945,932
Unused vacation provision	4,036,989	1,756,224
Personnel aid provision	5,749,667	908
	55,943,584	27,703,064
Payables to employee benefits	30 June 2022	31 December 2021
Due to personnel	31,015,676	11,538,800
Social security premiums payable	17,592,648	4,973,049
Taxes and funds payable	11,094,698	3,077,755
	59,703,022	19,589,604
Long-term provisions	30 June 2022	31 December 2021
Provision for employment termination benefits	46,336,862	36,972,149
Provision for unused vacation	12,110,966	5,268,671
	58,447,828	42,240,820

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 TRY10,848.39 for each period of service at 30 June 2022 (31 December 2021: TRY 8,284.51).

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 30 June 2022, 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 16.90% and an interest rate of 21.25%, resulting in a real discount rate of approximately 3.72% (31 December 2021: 3.72%). The maximum liability is revised semi-annually. The basis considered in calculating the provisions is the amount of maximum liability of TRY15,371.40 which became effective as of 1 June 2022 (1 July 2021: TRY7,638.96).

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

Movement of provision for employee termination benefits is as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Provision at 1 January	36,972,149	27,499,214
Service cost	12,752,391	1,845,095
Interest cost	654,464	502,054
Employment termination benefits paid	(3,254,519)	(2,321,117)
Actuarial loss	(787,623)	1,088,979
Provision at 30 June	46,336,862	28,614,225

Movement of unused vacation provision is as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Provision at 1 January	7,024,895	4,944,707
Increase in the period	12,319,979	3,419,204
Used in the period	(3,196,919)	(1,625,703)
Provision at 30 June	16,147,955	6,738,208

Movement of performance premium provision is as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Provision at 1 January	25,945,932	12,678,574
Increase in the period	54,905,375	14,865,449
Paid in period	(34,694,379)	(16,482,778)
Provision at 30 June	46,156,928	11,061,245

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

13. OTHER ASSETS AND LIABILITIES

Other Current Liabilities	30 June 2022	31 December 2021
Taxes and funds payable	6,967,344	5,986,344
Other	72,667	22,365
	7,040,011	6,008,709

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 30 June 2022 and 31 December 2021 as follows:

Name of the Shareholders (*)	(%)	30 June 2022	(%)	31 December 2021
Yıldız Holding A.Ş.	55.19	33,111,291	55.19	33,111,291
Public quotation	44.81	26,888,709	44.81	26,888,709
	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 (31 December 2021: 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

	30 June 2022	31 December 2021
Legal reserves	14,330,810	14,330,810
	14,330,810	14,330,810

Actuarial Loss Funds to Retirement Pay Provision

	30 June 2022	31 December 2021
Opening balance	(21,566,572)	(21,965,778)
Actuarial loss	(787,623)	499,007
Tax income related actuarial loss	157,525	(99,801)
Closing balance	(22,196,670)	(21,566,572)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

14. SHAREHOLDERS' EQUITY (Continued)

Details of the retained earnings are as follows:

	30 June 2022	31 December 2021
Extraordinary reserves	113,956,032	113,956,032
Retained earnings	62,931,227	(19,336,663)
	176,887,259	94,619,369

15. REVENUE AND COST OF SALES

a) Revenue

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Domestic sales	5,663,802,680	3,275,759,684	3,115,094,040	1,648,006,378
<i>Tobacco</i>	975,979,523	567,642,158	604,671,634	338,371,926
<i>Non-Tobacco</i>	4,687,823,157	2,708,117,526	2,510,422,406	1,309,634,452
Sales returns (-)	(41,073,344)	(29,938,419)	(9,294,786)	(5,277,380)
Sales discounts (-)	(126,804,928)	(97,983,363)	(30,033,066)	(13,718,469)
	5,495,924,408	3,147,837,902	3,075,766,188	1,629,010,529

b) Cost of Sales

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
<i>Tobacco</i>	(931,545,271)	(544,824,276)	(593,872,688)	(332,284,576)
<i>Non-Tobacco</i>	(3,713,637,145)	(2,114,401,098)	(2,125,125,067)	(1,114,142,650)
	(4,645,182,416)	(2,659,225,374)	(2,718,997,755)	(1,446,427,226)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

16. MARKETING AND GENERAL ADMINISTRATION EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Marketing expenses (-)	(453,487,055)	(254,516,254)	(212,622,912)	(109,611,779)
General administrative expenses (-)	(99,072,332)	(51,818,076)	(39,687,131)	(19,759,403)
	(552,559,387)	(306,334,330)	(252,310,043)	(129,371,182)

17. EXPENSES BY NATURE

The details of marketing expenses are as follows:

<u>The details of marketing expenses</u>	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Personnel expenses	(243,264,472)	(137,200,914)	(113,132,698)	(57,122,578)
Amortization expenses (Note 9, 10)	(54,042,099)	(27,074,371)	(38,504,404)	(20,032,146)
Logistics expenses	(41,118,800)	(24,933,367)	(10,264,898)	(5,422,933)
Utility expenses (electricity, naturalgas, water etc.)	(35,698,648)	(19,444,392)	(12,189,946)	(6,092,615)
Advertising expenses	(23,242,344)	(13,515,064)	(9,329,654)	(5,449,394)
Outsourcing expenses	(14,963,284)	(7,588,038)	(7,458,297)	(3,670,442)
Maintenance and repair expenses	(8,566,635)	(5,313,942)	(5,881,887)	(2,815,556)
Rent expenses	(4,152,046)	(3,599,172)	(1,020,455)	(1,020,455)
Other marketing and selling expenses	(28,438,727)	(15,846,994)	(14,840,673)	(7,985,660)
	(453,487,055)	(254,516,254)	(212,622,912)	(109,611,779)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

17. EXPENSES BY NATURE (Continued)

The details of general administrative expenses are as follows:

<u>The details of general administrative expenses</u>	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
IT and Accountant expenses	(40,708,186)	(19,533,014)	(5,906,289)	(3,154,091)
Personnel expenses	(34,680,605)	(19,467,735)	(16,916,200)	(9,012,690)
Consultancy expenses	(8,137,203)	(3,662,072)	(7,697,108)	(3,382,316)
Amortization and depreciation expenses (Note 9, 10)	(8,627,935)	(5,279,683)	(4,376,253)	(1,729,688)
Outsourcing expenses	(3,386,445)	(2,221,498)	(1,131,543)	(380,169)
Travel expenses	(755,244)	(451,874)	(622,573)	(272,872)
Other general administrative expenses	(2,776,714)	(1,202,200)	(3,037,165)	(1,827,577)
	(99,072,332)	(51,818,076)	(39,687,131)	(19,759,403)

18. OTHER OPERATING INCOME/EXPENSES

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Finance income from credit sales	17,393,903	11,295,290	10,774,847	6,272,799
Rediscount income for trade receivables and payables	4,974,459	812,677	9,794,963	4,248,156
Foreign exchange gains	1,335,309	1,020,978	206,788	(36,714)
Provisions no longer required (Note 5)	1,253,738	63,059	304,874	195,284
Other income	10,762,545	8,219,463	6,117,531	5,127,821
	35,719,954	21,411,467	27,199,003	15,807,346

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Finance expense from credit purchase	(150,992,207)	(84,115,482)	(88,874,946)	(44,716,817)
Provision for lawsuits expenses (Note 11)	(9,883,970)	(6,895,981)	(1,684,062)	(535,861)
Foreign exchange losses	(3,525,625)	(1,812,728)	(881,792)	(577,466)
Provision for doubtful receivables	(2,660,975)	(2,593,389)	-	439,092
Rediscount expense for trade receivables and payables	(720,636)	275,522	(965,430)	(245,801)
Other expenses	(9,995,553)	(9,911,682)	(1,711,091)	(1,225,475)
	(177,778,966)	(105,053,740)	(94,117,321)	(46,862,328)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Interest income from non-trade receivables	31,058,459	16,247,641	24,636,559	12,598,813
Allowance for prepaid expenses	503,150	-	135,962	72,338
Other income	2,002,267	(2,294,610)	264,972	213,463
	33,563,876	13,953,031	25,037,493	12,884,614

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Loss on sale of tangible assets	-	-	(1,048,395)	(1,048,395)
Loss on leasehold improvements of closed and moved stores	(700,303)	(700,303)	(31,492)	209,626
	(700,303)	(700,303)	(1,079,887)	(838,769)

20. FINANCIAL EXPENSES

	1 January - 30 June 2022	1 April - 30 June 2021	1 January - 30 June 2021	1 April - 30 June 2021
Interest on bank overdrafts and loans	(58,630,676)	(34,913,257)	(32,289,343)	(16,600,996)
Leasing operations financial expense	(30,818,975)	(16,642,017)	(21,917,516)	(11,117,121)
Guarantee letter commission and other expenses	(3,510,756)	(3,136,801)	(511,032)	(399,726)
Interest expense for benefit obligations	(654,464)	(329,040)	(502,054)	(252,414)
	(93,614,871)	(55,021,115)	(55,219,945)	(28,370,257)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The corporate tax rate to be accrued on taxable corporate income is calculated over the remaining tax base after adding the non-deductible expenses from the tax base that is written as an expense in the determination of the commercial profit and deducting the non-taxable incomes.

The effective tax rate applied in 2022 is 23% (2021: 25%).

“The Law No. 7316 on the Law on the Procedure for the Collection of Public Receivables and Amendments to Certain Laws” has been published in the Official Gazette dated 22 April 2022 and numbered 31462. With this Law, the corporate tax rate set as 25% for corporate earnings in 2022 and set as 23% for corporate earnings in 2022. Therefore, deferred tax assets and liabilities as of 30 June 2022 are calculated with 25% tax rate for temporary differences which will be realized in 2021, 23% for temporary differences in 2022 and with 20% tax for those which will be realized after 2022 and onwards. (2021: 20-22%).

Deferred tax

The Company, 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.

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and are shown separately, as businesses in Turkey cannot declare consolidated tax returns.

Deferred tax assets/(liabilities)

	1 January - 30 June 2022	1 January - 31 December 2021
Restatement and depreciation/ amortization differences. of property, plant and equipment and other intangible assets	4,994,180	(1,272,767)
Discount on trade receivables and payables	8,625,988	10,123,515
Performance premiums and other social rights	(1,000,000)	(4,312,763)
Provision for unpaid vacation	(3,229,591)	(1,404,979)
Provision for doubtful receivable	(1,793,899)	(1,403,006)
Provision for lawsuit	(5,742,723)	(3,765,929)
Lease liabilities	(7,706,547)	(8,086,418)
Provision for employee termination benefits	(9,267,372)	(7,394,430)
Expense accruals	(22,324,534)	(17,065,332)
Inventories	(14,425,976)	(2,861,657)
Other	(757,218)	2,457
	(52,627,692)	(37,441,309)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

Movement of deferred tax asset/(liabilities):

	1 January - 30 June 2022	1 January - 30 June 2021
<u>Movement of deferred tax asset/(liabilities)</u>		
Opening balance at 1 January	(37,441,309)	(3,739,373)
Charged to income statement	(15,028,858)	28,388
Charged to equity	(157,525)	(217,796)
Closing balance at 30 June	(52,627,692)	(3,928,781)

Provision for taxation as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Current period corporate tax provision	48,928,635	25,639,136
Less: prepaid taxes and funds	(33,988,955)	(4,133,973)
Tax liability in the balance sheet	14,939,680	21,505,163

As of 30 June 2022 and 2021, tax charges are as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Current tax charge	(48,928,635)	-
Deferred tax income/(expense)	15,028,858	(28,388)
Tax charge	(33,899,777)	(28,388)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

Reconciliation of taxation:

	1 January - 30 June 2022	1 January - 30 June 2021
Profit before tax	95,372,295	6,277,733
Tax expense ratio	%23	25%
Calculated tax	(21,935,628)	(1,569,433)
Impact of taxable losses	-	1,162,347
Effect of different tax rates	(540,417)	918,309
Non-deductible expenses	(11,423,732)	(539,611)
Tax charge	(33,899,777)	(28,388)

22. EARNINGS PER SHARE

A summary of the Company's weighted average number of shares outstanding for the years ended 30 June 2022 and 2021 and computation of earnings per share set out here as follows:

	1 January - 30 June 2022	1 January - 30 June 2021
Basic earnings per share		
Weighted average number of ordinary shares outstanding during the period (in full)	58,842,000	58,842,000
Net income for the period	61,472,518	6,249,345
Earnings per share (TRY)	1.045	0.106

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) The details of receivables from related parties are as follows:

	30 June 2022	31 December 2021
Trade receivable	8,649,603	6,872,024
Non-trade receivables	-	1,426,957
	8,649,603	8,298,981

The detail of trade receivables is as follows:

Balances with related parties	30 June 2022		31 December 2021	
	Trade	Non- Trading	Trade	Non- Trading
<i>Parent company</i>				
Yıldız Holding A.Ş.	5,584	-	494,398	1,426,957
<i>Other related parties</i>				
Future Teknoloji Ticaret A.Ş.	-	-	22,813	-
Ülker Ailesi ve Yönetim Kurulu Üyeleri	3,494,224	-	3,150,789	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	18,870	-	33,208	-
KV2K Perakende Müşteri Hizmetleri A.Ş.	991,140	-	989,400	-
Donuk Fırın. Ür. San. ve Tic. A.Ş.	50,000	-	636,419	-
Kerevitaş Gıda San. ve Tic. A.Ş.	53,959	-	16,852	-
E Star Global E-Ticaret Satış ve Paz. A.Ş.	-	-	-	-
Most Bilgi Sistemleri Tic. A.Ş.	892,797	-	2,710	-
Adapazarı Şeker Fabrikası A.Ş.	26,507	-	55,778	-
Polinas Plastik San. Tic. A.Ş.	-	-	550	-
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	98,379	-	44,326	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	289,061	-	-	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	1,178,896	-	388,680	-
Ülker Bisküvi San. A.Ş.	48,005	-	-	-
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	41,664	-	15,525	-
CCC Gıda San. ve Tic. A.Ş.	-	-	58,542	-
Dank Gıda San. ve Tic. A.Ş.	58,058	-	4,636	-
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	7,444	-	75,083	-
Aytaç Gıda Yatırım San. Tic. A.Ş.	447,030	-	-	-
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	5,036	-	-	-
Makina Takım Endüstrisi A.Ş.	-	-	105,596	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	18,076	-	-	-
Şok Marketler Ticaret A.Ş.	689,528	-	66,407	-
Ülker Çikolata Sanayi A.Ş.	38,728	-	-	-
Marsa Yağ San. ve Tic. A.Ş.	173,478	-	699,238	-
Mevsim Taze Sebze Meyve Sanayi ve Tic. A.Ş.	-	-	4,575	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	8,995	-	6,499	-
Beta Marina Liman Yatırımları A.Ş.	14,144	-	-	-
	8,649,603	-	6,872,024	1,426,957

Trade receivables from related 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 2022 is 18 - 22.3% for TRY (31 December 2021: 17,3- 22,5% for TRY).

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIED (Continued)

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

	30 June 2022	31 December 2021
Trade Payables	243,577,574	244,734,390
Non-trade payables	617,924	-
	244,195,498	244,734,390

(*) The balance includes profit distribution commitment.

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

Balances with related parties	30 Haziran 2022		31 Aralık 2021	
	Ticari	Ticari Olmayan	Ticari	Ticari Olmayan
<i>Parent company</i>				
Yıldız Holding A.Ş.	1,955,901	617,924	3,722,766	-
<i>Other related parties</i>				
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	124,866,080	-	118,932,064	-
Şok Marketler Ticaret A.Ş.	38,011,547	-	51,416,336	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	17,646,533	-	11,532,007	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	3,358,678	-	3,569,328	-
Polinas Plastik San. Tic. A.Ş.	25,102,087	-	8,566,844	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	2,169,684	-	18,263,087	-
Kereviş Gıda San. ve Tic. A.Ş.	3,980,875	-	7,706,725	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	19,546,263	-	2,200,784	-
UCZ Mağazacılık Ticaret A.Ş.	-	-	3,909,366	-
Aytaç Gıda Yatırım San. Tic. A.Ş.	3,340,490	-	1,159,803	-
Marsa Yağ San. ve Tic. A.Ş.	815,392	-	808,818	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	489,691	-	197,314	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	-	500,290	-
İzsal Gayrimenkul Geliştirme A.Ş.	174,909	-	299,131	-
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	114,824	-	101,764	-
Dank Gıda San. ve Tic. A.Ş.	16,528	-	-	-
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	9,413	-	717,638	-
Ülker Ailesi ve Yönetim Kurulu Üyeleri	1,753	-	163,608	-
E Star Global E-Ticaret Satış ve Paz. A.Ş.	12,163	-	1,361	-
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	-	-	2,244	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	2,698	-	16,284	-
Donuk Fırın. Ür. San. ve Tic. A.Ş.	50,000	-	48	-
Most Bilgi Sistemleri Tic. A.Ş.	900,761	-	10,784,869	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	161,911	-
Ülker Çikolata Sanayi A.Ş.	11,304	-	-	-
KV2K PERAKENDE MÜŞTERİ HİZMETLERİ A	1,000,000	-	-	-
	243,577,574	617,924	244,734,390	-

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

The Company 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:

Balances at related parties	1 January - 30 June 2022		1 April - 30 June 2022		1 January - 30 June 2021		1 April - 30 June 2021	
	Alışlar	Satışlar	Alışlar	Satışlar	Alışlar	Satışlar	Alışlar	Satışlar
<i>Parent company</i>								
Yıldız Holding A.Ş.	15,069,574	25,562,977	15,069,574	25,556,756	1,303,677	16,674	706,639	10,219
<i>Other related parties</i>								
Adapazarı Şeker Fabrikası A.Ş.	1,490,063	3,641	148,723	-	1,196,180	90,982	269,998	87,781
Aytaç Gıda Yatırım San. Tic. A.Ş.	1,595,577	56,234	249,917	-	3,219,521	105,001	1,531,312	48,697
Azmüsebat Çelik San. Tic. A.Ş.	-	8,607	(23,349,517)	(127,075)	-	1,425	-	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	54,178,151	135,682	54,178,151	119,194	27,919,803	424,180	14,437,257	273,817
Beta Marina Liman Yat ve Çekek İşletmesi A.Ş.	6,450	16,488	(12,295,112)	(143,656)	-	38,401	-	30,088
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	14,754,065	521,684	14,754,065	398,165	6,649,196	1,119,029	2,860,182	1,017,444
CCC Gıda San. ve Tic. A.Ş.	-	1,047,254	-	1,040,363	-	344,211	-	329,174
Dank Gıda San. ve Tic. A.Ş.	21,131	6,891	21,073	(764,403)	-	12,124	-	6,306
Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş.	-	1,912,044	-	1,812,850	10,897	1,075	(416)	1,075
E Star Global E Ticaret Satış ve Pazarlama A.Ş.	-	1,499,024	-	1,143,166	-	1,603,508	-	410,301
Future Teknoloji Ticaret A.Ş.	-	1,110,898	-	-	-	2,620,452	-	1,626,273
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	28,496,292	2,561,900	19,767,600	-	3,285,656	275,539	2,931,753	214,490
Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	-	(4,855,664)	(90,024)	-	-	-	-
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	374,666,738	3,714,674	374,666,738	3,689,892	210,724,777	148,452	93,873,076	148,452
İzsal Gayrimenkul Geliştirme A.Ş.	867,835	-	867,835	-	-	309	-	309
Kerevitaş Gıda San. ve Tic. A.Ş.	14,861,392	90,024	14,861,392	88,755	8,383,530	367,296	2,727,356	327,517
Makina Takım Endüstrisi A.Ş.	-	41,052	-	24,676	-	76,842	-	58,271
Marsa Yağ San. ve Tic. A.Ş.	1,085,542	46,631	1,085,542	19,030	130,806	240,929	130,806	167,901
Mevsim Taze Sebze Meyve San. ve Tic. A.Ş.	-	-	-	-	-	58,089	-	8,815
Most Bilgi Sistemleri Tic. A.Ş.	37,016,421	1,269	26,790,985	(56,356)	5,517,047	6,217	(273,292)	3,444
Northstar Innovation A.Ş.	-	-	-	(812,592)	-	-	-	-
Önem Gıda San. ve Tic. A.Ş.	-	20,295	-	(46,374)	-	204,289	-	147,141
Pasifik Tüketim Ürünleri Satış ve Ticaret A.Ş.	-	-	-	(4,629,311)	-	27,905	-	27,905
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	226,721	16,376	226,721	(13,723)	-	41,907	-	23,306
Penta Teknoloji Ürünleri Dağıtım Tic.A.Ş.	8,219	27,601	8,219	2,489	172,036	141,967	-	72,994
Polinas Plastik San. Tic. A.Ş.	35,747,848	57,625	32,991,379	26,554	10,105,968	41,430	7,349,499	10,359
Sağlam İnşaat Taahhüt Tic. A.Ş.	1,351,329	66,669	1,267,258	66,088	-	1,548	(84,071)	967
Şok Marketler Ticaret A.Ş.	135,757,390	4,874	80,237,618	(639,825)	113,519,800	1,250,592	58,000,028	605,893
Ülker Ailesi ve Yönetim Kurulu Üyeleri	-	4,629,311	-	4,623,666	-	8,734	-	3,089
Ülker Bisküvi San. A.Ş.	-	780,183	-	(502,902)	-	4,380,114	-	3,097,029
Ülker Çikolata Sanayi A.Ş.	-	896,694	-	(1,017,424)	-	3,947,242	-	2,033,124
Yelken Yönetim Danışmanlık ve Servis Hizmetleri A.Ş.	-	1,319	-	1,319	-	-	-	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	52,710,518	3,956	40,580,921	1,632	23,078,017	3,543	10,948,420	1,219
Çayırovası İnş. Taah. Tic. A.Ş.	1,273,956	-	-	-	-	-	-	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	389,949	-	-	-	-	-	-	-
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	99,194	-	99,194	-	-	-	-
Reform Gıda Paz. San. Tic. A.Ş.	-	812,592	-	812,592	-	-	-	-
	771,575,161	45,753,663	637,273,418	30,682,716	415,216,911	17,600,006	195,408,547	10,793,400

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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 - 30 June 2022	Interest Income	Rent Expense	Service Expense	Other Income	Other Expense
<i>Parent company</i>					
Yıldız Holding A.Ş.	25,556,756	-	(13,369,576)	-	(325,279)
<i>Other related parties</i>					
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	39,222	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	-	-	261,652	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	(6,450)	-	-	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	(938,317)	-	-	(335,639)
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	(21,131)
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	(6,352)	-	-	(2,136)
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	-	-	3,714,593	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	(374,479)	-	-	(493,356)
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	41,625	-
Marsa Yağ San. ve Tic. A.Ş.	-	(56,228)	-	-	(34,671)
Most Bilgi Sistemleri Tic. A.Ş.	-	-	-	-	(37,016,421)
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	-	(124,311)	-	-	(102,410)
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	(8,219)
Polinas Plastik San. ve Tic. A.Ş.	-	-	-	45,017	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	66,240	(1,351,329)
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	(389,949)	-	-	-
Şok Marketler Ticaret A.Ş.	-	(22,229)	-	-	-
	25,556,756	(1,918,315)	(13,369,576)	4,168,349	(39,690,591)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

1 April - 30 June 2022	Interest Income	Rent Expense	Service Expense	Other Income	Other Expenses
<i>Parent company</i>					
Yıldız Holding A.Ş.	15,046,742	-	(6,744,626)	-	-
<i>Other related parties</i>					
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	(461,342)	-	-	(168,573)
İzsal Gayrimenkul Geliştirme A.Ş.	-	(370,072)	-	-	(167,191)
Most Bilgi Sistemleri Tic. A.Ş.	-	-	-	-	(18,647,522)
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	-	(671,661)
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	(218,362)	-	-	-
	15,046,742	(1,049,776)	(6,744,626)	-	(19,654,947)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

1 January - 30 June 2021	Interest Income	Rent Expense	Interest Expense	Other Income	Other Expense
<i>Parent company</i>					
Yıldız Holding A.Ş.	18,156,722	-	(7,697,108)	716,641	(2,376,427)
<i>Other related parties</i>					
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	100,778	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	(11,284)	-	-	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	-	-	-	742	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	(265,962)	-	-	-
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	(28,720)
Donuk Fırın. Ür. San. ve Tic. A.Ş.	-	-	-	193	-
E Star Global E-Ticaret Satış ve Pazarlama A.Ş.	-	-	-	-	(56,789)
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	(39,824)	-	591,611	(73,708)
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	-	-	10,033,167	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	(164,084)	-	-	(395,954)
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	33,266	(6,548)
Marsa Yağ San. ve Tic. A.Ş.	-	(117,534)	-	-	(52,965)
Most Bilgi Sistemleri Tic. A.Ş.	-	-	-	255,790	(7,138,167)
Pasifik Tük. Ür. Sat. ve Tic. A.Ş.	-	-	-	94	-
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	-	(193,479)	-	-	(1,210)
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	(28,458)
Polinas Plastik San. ve Tic. A.Ş.	-	-	-	118,580	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	173,239	(808,492)
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	(216,698)	-	-	-
Şok Marketler Ticaret A.Ş.	-	(406,711)	-	227,833	-
Unmaş Unlu Mamuller San. ve Tic. A.Ş.	-	-	-	-	-
Ülker Bisküvi San. A.Ş.	-	-	-	4,031	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	-	-	259,286	(43,411)
	18,156,722	(1,415,576)	(7,697,108)	12,515,251	(11,010,849)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

1 April - 30 June 2021	Interest Income	Rent Expense	Service Expense	Other Income	Other Expenses
<i>Parent company</i>					
Yıldız Holding A.Ş.	8,559,222	-	(3,382,316)	496,249	(1,479,078)
<i>Other related parties</i>					
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	50,543	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	(6,770)	-	-	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	(123,167)	-	-	52,792
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	(23,045)
Donuk Fırın. Ür. San. ve Tic. A.Ş.	-	-	-	193	-
E Star Global E-Ticaret Satış ve Pazarlama A.Ş.	-	-	-	-	(56,789)
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	(39,824)	-	286,617	(53,804)
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	-	-	4,460,372	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	(98,437)	-	-	(198,948)
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	25,115	-
Marsa Yağ San. ve Tic. A.Ş.	-	(47,014)	-	-	(35,566)
Most Bilgi Sistemleri Tic. A.Ş.	-	-	-	-	(7,132,925)
Pasifik Tük. Ür. Sat. ve Tic. A.Ş.	-	-	-	94	-
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	-	(153,095)	-	-	(1,210)
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	(4,932)
Polinas Plastic of America, Inc	-	-	-	78,542	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	89,168	(422,324)
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	(120,566)	-	-	-
Şok Marketler Ticaret A.Ş.	-	(365,316)	-	227,833	-
Ülker Bisküvi San. A.Ş.	-	-	-	4,031	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	-	-	18,508	(43,411)
	8,559,222	(954,189)	(3,382,316)	5,737,265	(9,399,240)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Salaries and other short-term benefits	10,586,102	6,220,787	6,609,959	2,244,644
	10,586,102	6,220,787	6,609,959	2,244,644

24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

1) Foreign currency risk management

Transactions in foreign currencies expose the Company 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 Company 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.

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

	30 June 2022			
	TRY Equivalent (Functional Currency)	USD	EUR	GBP
1. Trade receivables	-	-	-	-
2a. Monetary financial assets	-	-	-	-
2b. Non-monetary financial assets	-	-	-	-
3. Other	149,649	360	8,270	-
4. Current Assets	149,649	360	8,270	-
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets	-	-	-	-
9. Total Assets	149,649	360	8,270	-
10. Trade payables	9,318,629	123,224	417,314	-
11. Financial liabilities	-	-	-	-
12a. Other monetary financial liabilities	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-
13. Current Liabilities	9,318,629	123,224	417,314	-
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-Current Liabilities	-	-	-	-
18. Total Liabilities	9,318,629	123,224	417,314	-
19. Net foreign currency liability position (9-18)	(9,168,980)	(122,864)	(409,044)	-
20. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(9,318,629)	(123,224)	(417,314)	-

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

1) Foreign currency risk management (Continued)

	31 December 2021			
	TRY Equivalent (Functional Currency)	USD	EUR	GBP
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	809,143	45,675	11,351	1,533
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	809,143	45,675	11,351	1,533
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	163,701	7,629	4,091	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	163,701	7,629	4,091	-
9.TOTAL ASSETS	972,844	53,304	15,442	1,533
10. Trade Payables	15,710,584	266,000	806,344	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	15,710,584	266,000	806,344	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	15,710,584	266,000	806,344	-
19. Net foreign currency liability position (9-18)	(14,737,740)	(212,696)	(790,902)	1,533
20. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(14,737,740)	(212,696)	(790,902)	1,533

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.

	30 June 2022	
	Appreciation of foreign currency by 20%	Appreciation of foreign currency by 20%
1- US Dollar net asset/liability	(410,154)	410,154
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1+2)	(410,154)	410,154
4- Other net assets/liabilities	(1,423,588)	1,423,588
5- Part of hedged from other risk (-)	-	-
6- Other net effect (4+5)	(1,423,588)	1,423,588

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

1) Foreign currency risk management (Continued)

	31 December 2021	
	Appreciation of foreign currency by 20%	Appreciation of foreign currency by 20%
1- US Dollar net asset/liability	(568,026)	568,026
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1+2)	(568,026)	568,026
4- Other net assets/liabilities	(2,385,214)	2,385,214
5- Part of hedged from other risk (-)	-	-
6- -Other net effect (4+5)	(2,385,214)	2,385,214

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.

30 June 2022	Financial investments valued at amortized cost	Financial liabilities at amortized cost	Carrying value	Note
<u>Financial assets</u>				
Cash and cash equivalents	365,841,879	-	365,841,879	3
Trade receivables	300,744,772	-	300,744,772	5
Due from related parties	8,649,603	-	8,649,603	23
Other financial assets	10,080,482	-	10,080,482	6
<u>Financial liabilities</u>				
Lease liabilities	-	1,551,473	1,551,473	4
Leasing liabilities	-	278,494,479	278,494,479	4
Trade payables	-	2,086,847,285	2,086,847,285	5
Due to related parties	-	244,195,498	244,195,498	23
Other financial liabilities	-	66,743,033	66,743,033	12,13

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

2) Interest rate risk management (Continued)

31 December 2021	Financial Assets at amortized cost	Financial Liabilities at amortized cost	Carrying value	Note
<u>Financial assets</u>				
Cash and cash equivalents	585,389,621	-	585,389,621	3
Trade receivables	166,713,390	-	166,713,390	5
Due from related parties	6,872,024	-	6,872,024	23
Other financial assets	5,992,646	-	5,992,646	6
<u>Financial liabilities</u>				
Lease liabilities	-	2,037,609	2,037,609	4
Leasing Liabilities	-	219,823,258	219,823,258	4
Trade payables	-	1,295,649,815	1,295,649,815	5
Due to related parties	-	244,734,390	244,734,390	23
Other financial liabilities	-	25,598,313	25,598,313	12 - 13

As of 30 June 2022 and 31 December 2021 the gross payment plan of the lease liabilities which are not discounted is as follows:

30 June 2022	Net book value	Total contractual cash outflow (I+II+III+IV)	Less than 3 months	3 - 12 months	1 - 5 years	5 years and overs
			I	II	III	IV
Lease liabilities	278,494,479	602,913,678	27,423,437	82,696,573	278,860,366	213,933,302
Total	278,494,479	602,913,678	27,423,437	82,696,573	278,860,366	213,933,302
31 December 2021	Net book value	Total contractual cash outflow (I+II+III+IV)	Less than 3 months	3 - 12 month	1 - 5 years	5 years and overs
			I	II	III	IV
Lease Liabilities	219,823,258	474,614,908	21,968,346	63,027,704	221,279,634	168,339,224
Total	219,823,258	474,614,908	21,968,346	63,027,704	221,279,634	168,339,224

3) Net book value

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.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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

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

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

3) Capital risk management (Continued)

	30 June 2022	31 December 2021
Total financial payables and non-trade payables to related parties (*)	2,169,397	610,652
Negative: cash and cash equivalents	(365,841,879)	(585,389,621)
Net debt	(363,672,482)	(584,778,969)
Total equity	314,753,336	240,354,145

(*) TFRS 16 impact is not included.

25. EVENTS AFTER REPORTING DATE

None.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED COMPLEMENTARY INFORMATION AS OF 30 JUNE 2022

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

APPENDIX OTHER INFORMATION

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.

	<u>Current Period</u>	<u>Prior Period</u>
	<u>1 January - 30 June 2022</u>	<u>1 January - 30 June 2021</u>
NET PROFIT FOR THE YEAR (Without TFRS 16)	66,942,871	7,906,706
NET PROFIT FOR THE YEAR	61,472,518	6,249,345
Tax Expense (Without TFRS 16)	15,028,858	(1,556,734)
Tax Expense	15,028,858	(28,388)
PROFIT BEFORE TAX (Without TFRS 16)	100,842,648	9,463,440
PROFIT BEFORE TAX	95,372,295	6,277,733
Financial expenses (-) (without TFRS 16)	(63,512,604)	(33,302,429)
Financial expenses (-)	(93,614,871)	(55,219,945)
Income (expense) from investing activities	32,863,573	23,957,606
Amortization expense (without IFRS 16)	(32,722,262)	(21,243,322)
Amortization expense	(62,670,034)	(42,880,657)
Other expense from operating activities	(142,059,012)	(66,918,318)
ADJUSTED EBITDA (Without IFRS 16)	306,272,953	106,969,903
ADJUSTED EBITDA	360,852,639	147,339,047
Warehouse, center and shop lease expense (without TFRS 16)	56,470,539	41,389,599
Warehouse, center and shop lease expense	4,152,046	1,020,455
ADJUSTED EBITDAL (without TFRS 16)	362,743,492	148,359,502
ADJUSTED EBITDAL	365,004,685	148,359,502

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED COMPLEMENTARY INFORMATION AS OF 30 JUNE 2022

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

APPENDIX OTHER INFORMATION (Continued)

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

	<u>Current Period</u>	<u>Prior Period</u>
	<u>31 June</u>	<u>31 December</u>
<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current Assets	2,409,857,458	1,548,823,898
Cash and Cash Equivalents	365,841,879	585,389,621
Trade Receivables	309,394,375	173,585,414
Other Receivables	1,754,154	1,505,217
Inventories	1,612,049,045	733,557,865
Prepaid Expenses	96,918,044	50,825,416
Other assets	23,899,961	3,960,365
Non-Current Assets	506,958,243	402,657,580
Other Receivables	8,326,328	4,487,429
Tangible Assets	390,755,270	299,449,463
Intangible Assets	53,075,031	58,900,435
Prepaid Expenses	2,173,922	2,378,944
Deferred Tax Assets	52,627,692	37,441,309
Total assets	2,916,815,701	1,951,481,478
	Current Period	Prior Period
LIABILITIES	30 June 2022	31 December 2021
Current Liabilities	2,536,756,800	1,653,734,366
Short-term Borrowings	3,168,212	904,083
Trade Payables	2,330,424,859	1,540,384,205
Other Payables	617,924	-
Liabilities for Employee Benefits	59,703,022	19,589,604
Deferred Revenue	20,796,633	10,182,487
Deferred Tax Liabilities	14,939,680	21,505,163
Short-term Provisions	100,066,459	55,160,115
Other Current Liabilities	7,040,011	6,008,709
Non-Current Liabilities	65,305,565	57,392,967
Long-term Borrowings	1,079,277	1,133,526
Long-term Provisions	58,447,828	42,240,820
Deferred Tax Liabilities	-	8,086,418
Deferred Revenue	5,778,460	5,932,203
EQUITY	314,753,336	240,354,145
Shareholders' equity	314,780,083	240,377,260
Share Capital	60,000,000	60,000,000
Treasury shares	(13,533,492)	(13,533,492)
Other Comprehensive/Expense not to be		
Reclassified Subsequently to Profit or Loss	(22,196,670)	(21,566,572)
Restricted Reserves Appropriated from Profits	14,330,810	14,330,810
Retained Earnings	209,232,932	113,649,265
Net Profit for the Year	66,946,503	87,497,249
Non-controlling interest	(26,747)	(23,115)
Total Liabilities	2,916,815,701	1,951,481,478

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED COMPLEMENTARY INFORMATION AS OF 30 JUNE 2022

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

APPENDIX OTHER INFORMATION (Continued)

	Current	Current Period	Prior Period	Prior Period
	Period	Current Period	Prior Period	Prior Period
	1 January -	1 April -	1 January -	1 April -
	30 June	30 June	30 June	30 June
	2022	2022	2021	2021
Profit or loss				
Revenue	5,495,924,408	3,147,837,902	3,075,766,188	1,629,010,529
Cost of sales (-)	(4,645,182,416)	(2,659,225,374)	(2,718,997,755)	(1,446,427,226)
Gross profit	850,741,992	488,612,528	356,768,433	182,583,303
Marketing expenses (-)	(477,032,190)	(278,061,389)	(230,582,131)	(118,381,779)
General administrative expenses (-)	(100,159,111)	(52,904,855)	(40,459,721)	(20,443,216)
Other income from operating activities	35,719,954	21,411,467	27,199,003	15,807,346
Other expenses from operating activities (-)	(177,778,966)	(105,053,740)	(94,117,321)	(46,862,328)
Operating profit	131,491,679	74,004,011	18,808,263	12,703,326
Income from investing activities	33,563,876	13,953,031	25,037,493	12,884,614
Expenses from investing activities (-)	(700,303)	(700,303)	(1,079,887)	(838,769)
Profit before finance expenses	164,355,252	87,256,739	42,765,869	24,749,171
Financial expenses (-)	(63,512,604)	(24,918,848)	(33,302,430)	(17,253,137)
Profit before tax	100,842,648	62,337,891	9,463,439	7,496,034
Tax Expense	(33,899,777)	(20,441,210)	(1,556,734)	(1,720,279)
Current tax expense	(48,928,635)	(19,778,335)	-	-
Deferred tax income	15,028,858	(662,875)	(1,556,734)	(1,720,279)
Net Profit for the Year	66,942,871	41,896,681	7,906,705	5,775,755
NET PROFIT FOR THE YEAR				
Non-controlling interest	(3,632)	-	(24,079)	(6,216)
Equity holders of the parent	66,946,503	41,896,681	7,930,784	5,781,971
Earnings per share (TRY)	1.045	0.619	0.134	0.102
OTHER COMPREHENSIVE EXPENSE	(630,098)	(3,203,716)	(871,183)	(500,266)
Items not to be reclassified to profit or loss	(787,623)	(4,004,647)	(871,183)	(500,266)
Defined benefit plans re-measurement				
Losses	157,525	800,931	(1,088,979)	(625,333)
Items not to be reclassified to profit or loss				
Other comprehensive expenses on taxes	157,525	800,931	217,796	125,067
Deferred tax income	157,525	800,931	217,796	125,067
TOTAL COMPREHENSIVE INCOME	66,312,773	38,692,965	7,035,522	5,275,489
Distribution of total other comprehensive income				
Non-controlling interest	(3,632)	-	(24,079)	(6,216)
Equity holders of the parent	66,316,405	38,692,965	7,059,601	5,281,705