

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022
AND INDEPENDENT AUDITOR'S REPORT**



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

INDEPENDENT AUDITOR'S REPORT

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

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Bizim Toptan Satış Mağazaları A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements including a summary of significant accounting policies (Notes 1 to 25).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Standards on Independence) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Other information

The Group Management is responsible for the other information. The other information comprises the Appendix "Other information" and does not constitute a part of the consolidated financial statements and our auditor's report thereon.

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

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



4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
<p>Revenue recognition (Notes 2.5 and 15 to the accompanying consolidated financial statements)</p> <p>The Group operates in the domestic retail market with 180 stores in total as of 31 December 2022.</p> <p>In addition to being the most important financial statement line item for the retail industry, revenue along with the total number of stores is one of the most important criteria for evaluation of performance and results of strategies applied by the management.</p> <p>Revenue, amounting to TRY 14,038,833 thousand for the year ended 31 December 2022 is material to the consolidated financial statements and its audit is a key audit matter since the completeness and accuracy of revenue transactions are difficult to audit due to the high volume of transactions resulting from the number of stores and the high number of sales points.</p>	<p>The audit procedures performed include a combination of validation of key controls in the revenue recognition process, substantive tests and analytical procedures.</p> <p>The revenue recognition process was understood by way of inquiries with the process owners and the design effectiveness, implementation and operating effectiveness of key controls were evaluated.</p> <p>Sales in the consolidated financial reporting period were tested using the sampling method.</p> <p>Confirmations for trade receivables selected and sent using the sampling method and reconciliation of the confirmations with consolidated financial statements performed.</p> <p>Since there is high number of sales points, testing on a sample basis was performed for recognition of daily transfers made to the cash boxes.</p> <p>Substantive analytical procedures were performed in order to assess the variance in revenue. In the analytical procedures, the effects of new stores and existing stores were evaluated for the revenue increase and gross profit percentages were compared. Product and category based sales and gross margins were compared to prior periods and their consistency was evaluated.</p> <p>Completeness, recognition and cut-off of revenue is tested with analytical procedures and substantive tests performed.</p> <p>In addition to these, measurement of revenue and adequacy and compliance of related disclosures included in the accompanying consolidated financial statements were evaluated from TFRS standpoint.</p>



5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 13 March 2023.

C. Additional explanation for convenience translation into English

As disclosed in Note 2.1 to the accompanying consolidated financial statements 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 31 December 2022 and for the year then ended. Therefore, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position of the Group as of 31 December 2022 and the results of its operations and cashflows for the year then ended in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "Adnan Akan", is written over a light blue horizontal line.

Adnan Akan, SMMM
Partner

Istanbul, 16 March 2023

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BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2021**

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

ASSETS	Notes	Current Period 31 December 2022	Prior Period 31 December 2021
Current Assets		2,967,063,613	1,540,869,062
Cash and Cash Equivalents	3	634,587,187	585,389,621
Trade Receivables		452,432,292	173,585,414
<i>Due from Related Parties</i>	5, 23	25,460,057	6,872,024
<i>Due from Non-Related Parties</i>	5	426,972,235	166,713,390
Other Receivables		2,677,726	1,505,217
<i>Other Receivables from-Related Parties</i>	6, 23	-	1,426,957
<i>Other Receivables from Non-Related Parties</i>	6	2,677,726	78,260
Inventories	7	1,665,106,201	733,557,865
Prepaid Expenses	8	87,046,528	42,870,580
Current Income Tax Assets	21	37,641,204	-
Other Current Asset	13	87,572,475	3,960,365
Non-Current Assets		1,045,317,822	597,627,987
Other Receivables		12,602,882	4,487,429
<i>Other Receivables from Non-Related Parties</i>	6	12,602,882	4,487,429
Tangible Assets	9	530,997,668	299,449,463
Right of Use Assets	9	285,083,277	197,184,132
Intangible Assets	10	46,142,834	58,900,435
Prepaid Expenses	8	-	165,219
Deferred Tax Assets	21	170,491,161	37,441,309
TOTAL ASSETS		4,012,381,435	2,138,497,049

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2021**

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

LIABILITIES	Notes	Current Period 31 December 2022	Prior Period 31 December 2021
Current Liabilities		3,205,897,115	1,730,315,335
Short-term Borrowings		108,780,874	77,947,066
- <i>Financial Lease Obligations</i>	4	1,079,277	904,083
- <i>Lease Liabilities due to Related Parties</i>	4	300,757	251,248
- <i>Lease Liabilities due to Non-Related Parties</i>	4	107,400,840	76,791,735
Trade Payables		2,827,913,071	1,540,384,205
- <i>Due to Related Parties</i>	5.23	452,124,888	244,734,390
- <i>Due to Non-Related Parties</i>	5	2,375,788,183	1,295,649,815
Liabilities for Employee Benefits	12	68,368,163	19,589,604
Deferred Income	8	59,949,037	10,182,487
Current Income Tax Liabilities	21	-	21,505,163
Short-term Provisions		126,867,952	54,698,101
- <i>Provision for Employee Benefits</i>	12	61,323,310	27,703,064
- <i>Other Short-term Provisions</i>	11	65,544,642	26,995,037
Other Current Liabilities		14,018,018	6,008,709
- <i>Other Current Liabilities to Related Parties</i>	13	-	22,365
- <i>Other Current Liabilities to Non-related Parties</i>	13	14,018,018	5,986,344
Non-Current Liabilities		316,053,617	192,086,824
Long-term Borrowings		203,368,922	143,913,801
- <i>Financial Lease Obligations</i>	4	-	1,133,526
- <i>Lease Liabilities due to Related Parties</i>	4	755,028	686,906
- <i>Lease Liabilities due to Non-Related Parties</i>	4	202,613,894	142,093,369
Long-term Provisions		106,999,667	42,240,820
- <i>Provision for Employee Benefits</i>	12	106,999,667	42,240,820
Deferred Income	8	5,685,028	5,932,203
EQUITY		490,430,703	216,094,890
Shareholders' Equity		490,460,992	216,118,005
Share Capital	14	60,000,000	60,000,000
Treasury shares		(13,533,492)	(13,533,492)
Other Comprehensive Expense not to be Reclassified to Profit or Loss		(25,600,417)	(21,566,572)
- <i>Defined benefit plans remeasurement losses</i>	14	(25,600,417)	(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		278,376,832	82,267,890
Non-Controlling Interests		(30,289)	(23,115)
TOTAL LIABILITIES		4,012,381,435	2,138,497,049

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

		Current Period	Prior Period
		1 January	1 January
		31 December	31 December
		2022	2021
PROFIT OR LOSS	Notes		
Revenue	15	14,038,833,943	7,173,144,694
Cost of Sales (-)	15	(12,024,322,474)	(6,290,320,186)
GROSS PROFIT		2,014,511,469	882,824,508
Marketing Expenses (-)	16, 17	(1,111,066,237)	(482,370,865)
General Administrative Expenses (-)	16, 17	(246,516,400)	(94,593,907)
Other Income from Operating Activities	18	106,178,671	57,438,718
Other Expenses from Operating Activities (-)	18	(458,310,502)	(214,348,933)
OPERATING PROFIT		304,797,001	148,949,521
Income from Investing Activities	19	82,190,395	59,525,805
Expense from Investing Activities (-)	19	(596,560)	(10,603,163)
PROFIT BEFORE FINANCIAL EXPENSES		386,390,836	197,872,163
Financial Expenses (-)	20	(220,486,459)	(123,789,317)
Profit Before Tax from Continued Operations		165,904,377	74,082,846
Tax Income From Continued Operations		112,465,281	8,162,601
Current Tax Expense	21	(19,576,110)	(25,639,136)
Deferred Tax Income	21	132,041,391	33,801,737
NET PROFIT FOR THE YEAR		278,369,658	82,245,447
Net profit attributable to			
Non-controlling interest		(7,174)	(22,443)
Equity holders of parent		278,376,832	82,267,890
Earnings per share (TRY)	22	4,639	1,371
OTHER COMPREHENSIVE EXPENSE			
Items not to be reclassified to profit or loss		(4,033,845)	399,206
Defined benefit plans re-measurement (gains)/losses	14	(5,042,306)	499,007
Deferred Tax Expense/(Income) Related to Items not to be Reclassified to Profit or Loss	21	1,008,461	(99,801)
TOTAL OTHER COMPREHENSIVE INCOME		274,335,813	82,644,653
HDistribution of total other comprehensive income			
Non-controlling interest		(7,174)	(22,443)
Equity holders of parent		274,342,987	82,667,096

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.**CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

	Notes	Share Capital	Treasury Shares	Other Comprehensive Income/Expense not to be reclassified to Profit or Loss	Retained Earning					
					Actuarial Loss of Provision of Termination Indemnity	Restricted Reserves Separated from Profit	Retained Earnings	Net Profit for Period	Shareholder’s equity	Non-controlling interest
Balances at 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	-	-	-	1,624,253	36,564,138	(38,188,391)	-	-	-
Dividends paid (*)	14	-	-	-	-	(19,242,526)	-	(19,242,526)	-	(19,242,526)
Total comprehensive income	14	-	-	399,206	-	-	82,267,890	82,667,096	(22,443)	82,644,653
Balances at 31 December 2021		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
Balances at 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	-	-	(4,033,845)	-	-	278,376,832	274,342,987	(7,174)	274,335,813
Balances at 31 December 2022		60,000,000	(13,533,492)	(25,600,417)	14,330,810	176,887,259	278,376,832	490,460,992	(30,289)	490,430,703

(*) The Board of Directors decided to distribute dividend for the year ended 2020 and was approved by the General Assembly held on 20 April 2021 to be paid on 8 October 2021. Profit distribution payment has been made.

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

		<u>Current Period</u>	<u>Prior Period</u>
		<u>1 January-</u>	<u>1 January-</u>
	<u>Notes</u>	<u>31 December 2022</u>	<u>31 December</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES		537,931,293	365,121,966
Net Profit for the period		278,369,658	82,245,447
Adjustments to reconcile net profit to net cash			
Adjustments for depreciation and amortisation expense	9.10	131,824,301	95,132,453
Adjustments related to provisions	11.12	117,622,625	55,125,772
Provision for impairment of trade receivable allowance	5	1,794,666	3,307,762
Provision for impairment of inventories	7	29,500,000	26,337,537
Gain/(loss) on sale of fixed assets, net	19	596,560	10,603,163
Adjustment for profit/(loss) reconciliation		(33,677,180)	14,625,722
Adjustments related to interest (income)/expense	19.20	73,547,537	64,952,307
Adjustment for income tax expense	21	(112,465,281)	(8,162,601)
Changes in working capital		171,058,745	55,949,336
Changes in trade receivables		(282,291,017)	(104,999,610)
Changes in inventories		(961,048,336)	(322,399,163)
(Increase)/decrease in other receivables related to operations		(89,953,584)	(5,105,268)
Increase in prepaid expenses		(44,010,729)	(23,963,864)
Changes in trade payables		1,326,818,421	501,134,039
(Increase)/decrease in other payables related to operations		221,543,990	11,283,202
Cash generated from operating activities		658,171,631	400,116,898
Taxes returns /(paid)		(78,722,477)	(10,769,133)
Employee benefits paid	12	(41,517,861)	(24,225,799)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(217,944,667)	(96,120,000)
Proceeds from sale of tangible assets		243,755	(2,712,978)
Cash outflows of purchases of tangible and intangible assets		(293,715,412)	(152,244,032)
Interest received	19	75,526,990	58,837,010
C. CASH FLOWS FROM FINANCING ACTIVITIES		(270,789,060)	(184,400,823)
Cash outflows/inflows from borrowings		(2,946,488)	(1,426,957)
Cash outflows from payments of borrowings due from leasing agreements	4	(1,186,357)	(4,437,693)
Cash outflows from payments of borrowings due from lease liabilities		(118,112,612)	(83,026,457)
Interest paid	20	(148,543,603)	(76,267,190)
Dividends paid		-	(19,242,526)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3	49,197,566	84,601,143
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	634,587,187	585,389,621

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 Kuşbaşı Cad. No.19 Altunizade-Üsküdar/İstanbul.

The main field of activity of the Company and its subsidiaries ("Group") is wholesale and retail sale of fast moving consumer goods to retail outlets such as grocery stores, markets, buffets, catering businesses, corporate customers, individual customers, commercial taxpayer real and legal persons.

As of 31 December 2022, the Company has 180 stores in 72 provinces (31 December 2021: 173 in 70 provinces). As of 31 December 2022, the number of personnel employed within the Group is 2,853 (31 December 2021: 2,597). As of 31 December 2022, the number of business partner markets included in the Group's goods supply business partnership system is 2,409 (31 December 2021: 1,726).

Yıldız Holding A.Ş. is the main shareholder of the Group and the party holding the main control. Yıldız Holding A.Ş. is controlled by the Ülker family. Group shares have been traded on Borsa Istanbul since February 3, 2011.

As of 31 December 2022, the names and percentages of the shareholders of the Group's share capital are as follows:

Name of the Shareholders (*)	(%)	31 December 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

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

Subsidiary company	Partnership share 31 December 2022	Partnership share 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 Financial Statements:

The consolidated financial statements have been presented for the approval of the Board of Directors and given authority to publish as of 13 March 2023. General Assembly has the right to change these consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation

The consolidated financial statements are prepared on the historical cost basis, except for accounts specifically stated to be carried at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under prevailing market conditions, regardless of whether the price is directly observable or fair value is estimated using another valuation method. In other words, it is the exit price).

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level one information is the market prices (unadjusted) that an entity obtains at the measurement date and is used for similar assets and liabilities in an active market.
- Second-level information is information that can be observed directly or indirectly for an asset or liability, excluding the stock price specified in the first level.
- Third-level information is information that is not based on market observable data used to determine the fair value of an asset or liability.

Statement of Compliance

The consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the Communiqué numbered II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS. The consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 30794 on 7 June 2019.

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 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 year ended and as of 31 December 2022.

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 31 December 2022 and for the year then ended. Therefore these consolidated financial statements are not intended to present fairly the consolidated financial position of the Group as of 31 December 2022 and the consolidated results of its operations and consolidated cashflows for the year then ended in accordance with IFRS.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 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)

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 shown with their net values in the balance sheet if there is a legal right to set off and they are expected to be paid and/or collected on a net basis, or when the asset will be realized, and the obligation will be settled at the same time.

Principles Regarding Consolidation

(a) Subsidiaries

Subsidiaries are companies over which the Group has control. Group's control: exposure to variable returns in these companies is provided by the power to be entitled to and direct these returns. Subsidiaries are consolidated using the full consolidation method from the date on which the control passes to the Group. They are excluded from the scope of consolidation as of the date of loss of control.

Balances arising from intragroup transactions and unrealized gains and losses arising from transactions with intragroup companies are eliminated.

(b) Changes in the capital share of the Group's current subsidiary

Changes in the Group's shareholding in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Group's interest and non-controlling interests are adjusted to reflect changes in subsidiary interests. The difference between the adjustment for non-controlling interests and the fair value of the consideration received or paid is accounted for directly in equity as the Group's share.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 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)

(c) Loss of Subsidiary Control

If the Group loses control of a subsidiary, the post-sale profit/loss is as calculated as the difference between i) the sum of the sales price received and the fair value of the remaining interest and ii) the previous book values of the subsidiary's assets (including goodwill) and liabilities and non-controlling interests. The amounts previously accounted for in other comprehensive income related to the subsidiary and collected in equity are recorded according to the accounting method to be used on the assumption that the Group has sold the relevant assets (For example, in accordance with the relevant TFRS standards, transfer to profit / loss or directly transfer to retained earnings.). The fair value at the date of loss of control of the investment remaining after the sale of the subsidiary is determined as fair value at the initial recognition under TFRS 9 Financial Instruments: Recognition and Measurement or, where applicable, at the initial recognition of an investment in an associate or jointly controlled entity. considered as cost.

2.2 Changes in the Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated. The Group has not made any significant changes in its accounting policies in the current period.

2.3 Changes and Errors in Accounting Estimates

Changes in accounting estimates are applied prospectively in the current period when the change is made, if the change is related to future periods, both in the period in which the change is made and in future periods. There has been no significant change in the accounting estimates of the Group in the current year. Identified significant accounting errors are applied retrospectively and prior period financial statements are restated.

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

a. Standards, amendments, and interpretations applicable as of 31 December 2022:

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. These amendments have no material impact on the Group's consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 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)**

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3,** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations
 - **Amendments to IAS 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 IAS 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 IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial Instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.
- b. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2022:*
 - **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. These amendments have no material impact on the Group’s consolidated financial statements.
 - **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective 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. These amendments have no material impact on the Group’s consolidated financial statements.
 - **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. These amendments have no material impact on the Group’s consolidated financial statements.
 - **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. These amendments have no material impact on the Group’s consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 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 (IFRSs)
(Continued)**

Inventories

Inventories are stated at the lower of cost and net realizable value as of balance sheet date. Cost is calculated as the average cost over the month. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs to make the sale. When the net realizable value of the inventories falls below its cost, the inventories are reduced to their net realizable value and are charged to the profit or statement in the year in which the impairment occurred. In cases where it is proven that the conditions that previously caused the inventories to be reduced to net realizable value no longer apply or an increase in net realizable value due to changing economic conditions, the reserve for impairment is reversed. The cancelled amount is limited to the previously allocated impairment amount.

Revenues from vendors, turnover premiums and discounts received from vendors are accounted for on an accrual basis during the period in which the vendors benefit from the services and are deducted from the cost of goods sold.

Tangible Assets:

Property, plant and equipment are carried at cost less accumulated depreciation and permanent value losses.

Except for the investments in progress, the cost amounts of tangible fixed assets are depreciated over their expected useful lives using the straight-line method. Fixed assets acquired through finance leases are depreciated using the straight-line method, whichever is longer than their expected useful lives or the lease term specified in the contract.

The gain or loss resulting from the disposal of tangible fixed assets or the retirement of a tangible asset is determined as the difference between the sales revenue and the carrying value of the asset and is included in the profit or loss statement.

Special Costs

Leasehold improvements consist of permanent improvements to the leased stores that the Group expects to benefit from in the future. The Group accounts for leasehold improvements from the acquisition cost at the date of improvement, less accumulated depreciation and impairment, if any

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies

Leasing Transactions:

The Group as lessor:

Rental income from operating leases is accounted for using the straight-line method over the relevant lease period. The direct initial costs incurred in realizing and negotiating the lease are included in the cost of the leased asset and are amortized over the lease term on a straight-line basis.

The Group as lessee:

At the inception of a contract, the Group assesses whether the contract is or contains a lease. If the contract transfers the right to control the use of the identified asset for a specified period of time, the contract is or includes a lease. The group considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

- a) The contract contains an identified asset:- this may be specified explicitly or implicitly
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right the asset is not identified.
- c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use and
- d) The Group has the right to direct use of the asset. The Group concludes to have the right of use. when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either
 - i. The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use. without the supplier having the right to change those operating instructions; or
 - ii. The customer designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

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

Right of use asset

The cost of the right-of-use asset shall comprise:

- a) The amount of the initial measurement of lease liability.
- b) Any lease payments made at or before the commencement date, less any lease incentives received.
- c) Any initial direct costs incurred by the lessee, and To apply a cost model, the Group measure the right-of-use asset at cost:
 - a) Less any accumulated depreciation and any accumulated impairment losses, and
 - b) Adjusted for any remeasurement of the lease liability.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

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

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

Lease liability

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

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

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

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

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

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or.
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option..

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

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

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

The Group recognises the restructuring of the lease as a separate leasing if both of the following are met:

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

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

Intangible Assets:

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Franchise Rights and Trademarks

Net cash flows of intangible assets with indefinite useful life, including brands, that are likely to be provided to the Group cannot be calculated since it is not possible to predict how long they will be used as a result of the analyzes that can be made. Therefore, these assets are not depreciated, but are tested for impairment annually.

Impairment of Assets:

Assets with an indefinite life are not amortized. Each year, an impairment test is applied for these assets. For assets that are subject to amortization, an impairment test is applied in case of situations or events where it is not possible to recover the book value. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. The recoverable amount is the higher of fair value less costs to sell or value in use. For assessment of impairment, assets are grouped at the lowest level with separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that are subject to impairment are reviewed for possible reversal of impairment at each reporting date.

Borrowing Costs:

In the case of assets (qualified assets) that take significant time to get ready for use and sale, borrowing costs directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale.

Borrowing costs are recorded in the profit or loss statement in the period they are incurred. Within the scope of TAS 23 (Revised), “Borrowing costs”, the Group does not have any borrowing costs that should be capitalized.

Revenue

In line with TFRS 15 “Revenue from Contracts with Customers”, which entered into force as of January 1, 2018, the Group recognizes revenue in its financial statements within the scope of the following five-stage model.

- Identification of contracts with customers,
- Identification of performance obligations in contracts,
- Determining the transaction price in the contracts,
- Distribution of the transaction price to the performance obligations,
- Revenue recognition.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

The Group evaluates the goods or services committed in each contract with customers and determines each separable commitment to transfer the said goods or services as a separate performance obligation. For each performance obligation, whether the performance obligation will be fulfilled over time or at a specific moment is determined at the beginning of the contract. If the Group transfers control of a good or service over time and thus fulfills its performance obligations regarding related sales over time, it measures the progress towards the full fulfillment of the performance obligations and recognizes the revenue over time. When the Group fulfills or fulfills its performance obligation by transferring a promised good or service to its customer, the transaction price corresponding to this performance obligation is recorded in its financial statements as revenue. A good or service is transferred when (or after) control of the goods or services is in the hands of the customers. When the Group evaluates the transfer of control of the goods or services sold to the customer, a) the Group's right to collect the goods or services, b) the customer's legal ownership of the goods or services, c) the transfer of the possession of the goods or services, d) the customer's ownership of the goods or services. It takes into account the ownership of the significant risks and rewards arising from owning, e) the conditions of acceptance of the goods or services by the customer. If the Group, at the beginning of the contract, predicts that the period between the transfer date of the promised good or service to the customer and the date the customer pays for such good or service will be one year or less, it does not adjust the promised price for the effect of a significant financing component. On the other hand, if there is an important financing element in the revenue, the revenue value is determined by discounting the future collections with the interest rate included in the financing element. The difference is recognized in the relevant periods as other operating income on an accrual basis.

Financial assets

Classification and measurement: The Group accounts its financial assets in three classes as financial assets accounted for at amortized cost, fair value through profit or loss, and fair value reflected in other comprehensive income. The classification is made on the basis of the business model and expected cash flows determined according to the purpose of benefiting from financial assets. Management classifies financial assets on the date of purchase.

Financial assets that are not quoted in an active market and are not derivative instruments that have fixed or fixed payments, in which management has adopted the contractual cash flow collection business model and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as assets accounted for at amortized cost. If their maturities are shorter than 12 months from the balance sheet date, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables" and "cash and cash equivalents" items in the statement of financial position.

Impairment: Since the trade receivables accounted for at amortized cost in the financial statements do not contain a significant financing component, the Group chooses the simplified application for impairment calculations and uses the provision matrix. With this application, the Group measures the expected credit loss allowance at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. In the calculation of expected credit losses, the Group's forecasts for the future are also taken into account, together with the past experience of credit losses.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents:

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments with maturities of 3 months or less from the date of purchase, immediately convertible into cash, and without significant risk of change in value.

Financial Liabilities:

Financial liabilities are recorded at the date they are received, after deducting the transaction expenses from the financial debt amount received. Financial liabilities are followed in the financial statements with their discounted values calculated with the effective interest rate on the following dates. The difference between the amount of the financial debt received (excluding transaction expenses) and the repayment value is recognized in the consolidated statement of profit or loss on an accrual basis over the financial liability period. Financial liabilities are classified as current liabilities, unless the Group has an unconditional right to defer repayment of the obligation for 12 months from the balance sheet date

Trade Receivables

Trade receivables resulting from the provision of a product or service to a buyer by the Group are shown net of deferred finance income. Short-term receivables with no specified interest rate are shown at their original invoice values unless the effect of accruing interest is significant.

The Group allocates provision for doubtful receivables for the related trade receivables, if there is objective evidence that collection is not possible. Objective evidence is when the claim is pending or in preparation for litigation or enforcement, the buyer is in significant financial difficulty, the buyer is in default, or it is probable that a significant and unpredictable delay will occur. The amount of this provision is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable. In addition, the Group uses the provision matrix by choosing the simplified application for impairment calculations, since trade receivables accounted for at amortized cost in the financial statements do not contain an important financing component. With this application, the Group measures the expected credit loss allowance at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. In the calculation of expected credit losses, the Group's forecasts for the future are also taken into account, together with the past experience of credit losses.

Effects of Exchange Rate Change:

The Group's financial statements are presented in the currency of the main economic environment in which they operate (the functional currency). The financial position and operating results of the business are expressed in Turkish Lira (“TL”), which is the functional currency of the Group and the presentation unit for the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

During the preparation of the Group's financial statements, transactions in foreign currencies (currencies other than TRY) are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the balance sheet are translated into Turkish Lira using the exchange rates prevailing on the balance sheet date. Among the non-monetary items that are followed at fair value, those recorded in foreign currency are translated into TRY based on the exchange rates at the date of determination of the fair value. Foreign currency non-monetary items measured at historical cost are not reconverted.

Exchange differences are recognized in profit or loss in the period in which they occur, except as follows:

- i. Exchange differences related to assets under construction for future use and included in the cost of such assets, treated as an adjustment to interest costs on foreign currency denominated liabilities,
- ii. Exchange differences arising from transactions carried out to provide financial hedging against foreign currency risks.

Basic earnings per share:

It is calculated by adjusting for the dividend elements in ordinary shares issued during the year and dividing from equity by the weighted average number of ordinary shares outstanding during the financial year, excluding the entity's own repurchased shares. At the same time, the amount of capital increased with internal resources affects the re-display of the previous year's calculation.

Events After the Reporting Period:

Events after the reporting period; It covers all events between the balance sheet date and the date the balance sheet is authorized for issue, even if they occur after any announcement regarding profit for the period or other selected financial information has been made public. In case of occurrence of events requiring adjustment after the balance sheet date, the Group adjusts the amounts recognized in the financial statements in accordance with this new situation.

Provisions Contingent Assets and Liabilities:

Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation, and the amount to be paid can be reliably estimated (Note 11).

Contingent assets and liabilities

Liabilities and assets that can be confirmed by the realization of one or more uncertain future events arising from past events, the existence of which is not fully under the control of the enterprise, are not included in the financial statements and are considered as contingent liabilities and assets (Note 11).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Related Parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the ‘reporting entity’)

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
- (i) Has control or joint control over the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity) Transactions with the related parties: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them.

The transactions of resources, services or obligations between reporting entity and related party are transfers whether there is consideration of price or not.

Taxes on Corporate Income:

Current tax

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The current tax liability of the Group is calculated using the tax rate that has been enacted or substantially enacted as of the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

Deferred Tax

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of legal tax base, according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except when the Group is able to control the temporary differences and it is unlikely that the temporary differences will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that these differences will be utilized by earning sufficient taxable profit in the near future and it is probable that these differences will disappear in the future.

Carrying amount of deferred tax asset is reviewed as of each balance sheet date. Carrying value of deferred tax asset is reduced to the extent that it is not highly probable that a taxable profit will be obtained to allow some or all of the deferred tax asset to be benefited.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are enacted or substantially enacted as of the balance sheet date, which are expected to be valid in the period when the assets are realized or the liabilities are fulfilled. During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

Employee Benefits:

Severance compensation:

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

The provision for severance pay recognized in the balance sheet is calculated according to the net balance sheet date value of the expected future liabilities due to the retirement of the employees and reflected in the consolidated financial statements. All calculated actuarial gains and losses are accounted for under other comprehensive income (Note 12).

Cash Flow Statement:

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

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

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

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

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

Capital and Dividends:

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

Retrieved shares:

The amount of the Group's share of undiscounted shares is deducted from retained earnings and presented under a separate line in the statement of financial position under equity. The Group may have the right to resell such shares in accordance with the legal regulations to which the Group is affiliated.

2.6 Significant Accounting Reviews, Estimates and Assumptions:

In the process of applying the accounting policies stated in Note 2.5, the management has made the following evaluations, estimates and assumptions that have a significant effect on the amounts recognized in the consolidated financial statements:

Lifetimes foreseen in the calculation of right of use

The lease obligation is determined by taking into account the extension and termination options in the contracts. The majority of the extension options in the contracts consist of options that can be jointly exercised by the Group and the lessor. The early termination option is in the hands of the Group. Due to these evaluations, the Group has evaluated the lease term extension and early termination options and used it without adding or subtracting the terms of the contracts. Relevant contract periods are evaluated by the Group management at the end of each year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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3. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash on hand	21,549,226	8,949,944
Demand deposit	1,329,735	34,039,042
Time deposits (*)	477,814,527	460,875,058
Credit card receivables	133,893,699	81,525,577
Cash and cash equivalents	634,587,187	585,389,621

(*) The majority of time deposits have overnight maturities. The average interest rate in 2022 is 20.6%.

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

	31 December 2022	31 December 2021
To be paid within 1 month	93,414,288	71,639,708
To be paid within 2 - 3 months	40,479,411	9,885,869
Total	133,893,699	81,525,577

4. FINANCIAL LIABILITIES

	31 December 2022	31 December 2021
Financial leasing borrowings		
To be paid within 1 year	1,186,819	1,186,357
To be paid within 2 - 4 years	-	1,259,410
Future value of finance charges	(107,542)	(408,158)
Present value of finance lease obligation	1,079,277	2,037,609

Amounts due to settlement within 12 months	1,079,277	904,083
Amounts due for settlement after 12 months	-	1,133,526

	31 December 2022	31 December 2021
Lease Liabilities		
To be paid within 1 year	107,701,597	77,042,983
Longer than one year	203,368,922	142,780,275
Present value of lease liabilities	311,070,519	219,823,258

	31 December 2022	31 December 2021
Obligations to related parties arising from leasing transactions		
To be paid within 1 year	300,757	251,248
Longer than one year	755,028	686,906
Present value of lease obligation to related parties	1,055,785	938,154

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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4. FINANCIAL LIABILITIES (Continued)

Financial lease movements	31 December 2022	31 December 2021
Balance at beginning of the year	2,037,609	5,755,083
Accrued interest	228,025	720,219
Paid	(1,186,357)	(4,437,693)
Closing balance	1,079,277	2,037,609

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

Currency	31 December 2022		
	Discount range (%)	Short-term (%)	Long-term (%)
TRY	12.21-53.49	12.21-33.90	16.38-53.49

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 TRY14,871,815 (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.

5. TRADE RECEIVABLES AND PAYABLES

Current trade receivables	31 December 2022	31 December 2021
Customer current accounts	444,580,493	185,021,036
Trade receivables from related parties (Note 23)	25,460,057	6,872,024
Notes receivable	387,834	31,747
Allowance for doubtful receivables (-)	(17,996,092)	(18,339,393)
Total current trade receivables	452,432,292	173,585,414

As of 31 December 2022, the average period for the sale of goods is 6.8 days (31 December 2021: 6.5 days).

Trade receivables are carried at amortized cost and are calculated over discount rate of 11.19% (31 December 2021: 17.8%).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

5. TRADE RECEIVABLES AND PAYABLES (Continued)

The movement of the allowance for doubtful receivables as of 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	31 December 2021
Movement of allowance for doubtful receivables		
Balance at beginning of the year	(18,339,393)	(15,081,695)
Current period charge	(1,794,666)	(3,307,762)
Amounts recovered during the year	2,137,967	50,064
Closing balance	(17,996,092)	(18,339,393)
Current trade payable	31 December 2022	31 December 2021
Trade payables	2,375,788,183	1,295,649,815
Trade payables to related parties (Note 23)	452,124,888	244,734,390
Total current trade payables	2,827,913,071	1,540,384,205

Average payment period for trade payables varies depending on the sector and suppliers. As of 31 December 2022, the average payment period although varies as per the product categories is 63.5 days (31 December 2021: 71.7 days).

Trade payables are carried at amortized cost and are calculated over discount rate of 11.19% (31 December 2021: 17.8%).

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

6. OTHER RECEIVABLES AND PAYABLES

	31 December 2022	31 December 2021
Short-term other receivables		
Non-trade receivables from related parties (Note 23)	-	1,426,957
Receivables from personnel	2,677,726	78,260
	2,677,726	1,505,217
Long-term other receivables	31 December 2022	31 December 2021
Deposits and guarantees given	12,602,882	4,487,429
	12,602,882	4,487,429

7. INVENTORIES

	31 December 2022	31 December 2021
Trade goods	1,724,650,737	767,029,237
Other inventory	4,228,295	801,459
Provisions for inventories	(63,772,831)	(34,272,831)
	1,665,106,201	733,557,865

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

7. INVENTORIES (Continued)

	31 December 2022	31 December 2021
Inventory provision movement		
Balance at beginning of the year	(34,272,831)	(7,935,294)
Period income/expense	(63,772,831)	(34,272,831)
Provision reversal	34,272,831	7,935,294
	(63,772,831)	(34,272,831)

8. PREPAID EXPENSES AND DEFERRED INCOMES

a) Prepaid Expenses

Short-Term Prepaid Expenses	31 December 2022	31 December 2021
Advances given for inventories	65,357,837	37,653,768
Prepaid expenses for rent	10,735,443	353,597
Prepaid expenses for insurance	6,738,123	3,372,473
Other prepaid expenses	4,215,125	1,490,742
	87,046,528	42,870,580

Long-Term Prepaid Expenses	31 December 2022	31 December 2021
Future expenses	-	165,219
	-	165,219

b) Deferred Revenue

Short-term deferred revenue	31 December 2022	31 December 2021
Advances received	59,949,037	7,463,560
Other deferred revenue	-	2,718,927
	59,949,037	10,182,487

Long-term deferred revenue	31 December 2022	31 December 2021
Other deferred revenue	5,685,028	5,932,203
	5,685,028	5,932,203

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 31 December 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	96,339,754	91,929,594	101,030,982	289,300,330
Disposals	(231,174)	(6,774)	(6,523)	(244,471)
Transfers r	5,267,714	(28,431,168)	23,163,454	-
Closing balance as of 31 December 2022	349,445,236	132,056,108	347,343,991	828,845,335
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2022	(133,097,763)	(17,837,070)	(89,405,180)	(240,340,013)
Additions	(30,355,156)	(5,687,030)	(21,466,184)	(57,508,370)
Disposals	-	716	-	716
Closing balance as of 31 December 2022	(163,452,919)	(23,523,384)	(110,871,364)	(297,847,667)
Net book value as of 31 December 2022	185,992,317	108,532,724	236,472,627	530,997,668

(*) The amount of investments in progress for the accounting period of 1 January – 31 December 2022 is TRY 52,250,00. (31 December 2021: TRY 23,163,454).

As of 31 December 2022 depreciation expense of TRY 54,143,289 has been charged in marketing sales and distribution expenses and TRY 19,941,206 in general administrative expenses.

In the period of 1 January 2022 - 31 December 2022 there are no purchases of tangible fixed assets through financial leasing. There are no pledges or any other restrictions over tangible assets

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 2021 and 31 December 2021 are as follows:

<u>Cost Value</u>	<u>Furniture and Fixture</u>	<u>Other Tangible Fixed Assets</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Opening balance as of 1 January 2021	187,195,019	80,893,797	178,423,836	446,512,652
Additions	46,200,594	53,786,739	21,494,081	121,481,414
Disposals	(588,498)	(10,319,488)	(2,872,990)	(13,780,976)
Transfers (Tangible assets)	15,261,827	(41,372,978)	26,111,151	-
Transfers (Intangible assets) (*)	-	(14,423,614)	-	(14,423,614)
Closing balance as of 31 December 2021	248,068,942	68,564,456	223,156,078	539,789,476
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2021	(115,141,286)	(16,303,842)	(74,504,915)	(205,950,043)
Additions	(18,448,909)	(5,292,713)	(16,539,139)	(40,280,761)
Disposals	492,432	3,759,485	1,638,874	5,890,791
Closing balance as of 31 December 2021	(133,097,763)	(17,837,070)	(89,405,180)	(240,340,013)
Net book value as of 31 December 2021	114,971,179	50,727,386	133,750,898	299,449,463

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

As of 31 December 2021 depreciation expense of TRY35,901,529 has been charged in marketing sales and distribution expenses and TRY11,437,928 in general administrative expenses.

In the period of 1 January 2021 - 31 December 2021 there are no purchases of tangible fixed assets through financial leasing.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 31 December 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	123,686,019	11,620,902	12,421,901	147,728,822
Disposals	-	(3,176,857)	-	(3,176,857)
Closing balance as of 31 December 2022	391,571,930	39,381,124	21,714,727	452,667,781
<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	(43,744,430)	(10,722,419)	(3,272,957)	(57,739,806)
Disposals	-	1,086,986	-	1,086,986
Closing balance as of 31 December 2022	(137,843,112)	(22,741,606)	(6,999,786)	(167,584,504)
Net book value as of 31 December 2022	253,728,818	16,639,518	14,714,941	285,083,277

As of 1 January - 31 December 2022, Depreciation expense of TRY55,072,266 has been charged in marketing sales and distribution expenses and TRY2,667,540 in general administrative expenses.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 31 December 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	50,155,504	10,419,099	3,879,952	64,454,555
Disposals	(3,040,176)	(3,247,701)	-	(6,287,877)
Closing balance as of 31 December 2021	267,885,911	30,937,079	9,292,826	308,115,816
<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	(37,130,154)	(9,259,374)	(1,403,468)	(47,792,996)
Disposals	990,648	1,677,152	-	2,667,800
Closing balance as of 31 December 2021	(94,098,682)	(13,106,173)	(3,726,829)	(110,931,684)
Net book value as of 31 December 2021	173,787,229	17,830,906	5,565,997	197,184,132

As of 31 December 2021. Depreciation expense of TRY44,532,874 has been charged in marketing sales and distribution expenses and TRY3,260,122 in general administrative expenses.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

10. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2022- 31 December 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	-	3,818,524	3,818,524
Closing balance as of 31 December 2022	26,724,490	52,751,282	79,475,772
<u>Accumulated Amortization</u>			
Opening balance as of 1 January 2022	-	(16,756,813)	(16,756,813)
Charge of the period	-	(16,576,125)	(16,576,125)
Closing balance as of 31 December 2022	-	(33,332,938)	(33,332,938)
Net book value as of 31 December 2022	26,724,490	19,418,344	46,142,834

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% in 2023, 30% in 2024, 30% in 2025, 30% in 2026 and 30% in 2027 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 31 December 2022. (31 December 2021: None).

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

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10. INTANGIBLE ASSETS (Continued)

Movements of intangible assets between 1 January 2021 - 31 December 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	-	16,675,989	16,675,989
Transfers (*)	-	14,423,614	14,423,614
Closing balance as of 31 December 2021	26,724,490	48,932,758	75,657,248
<u>Accumulated Amortization</u>			
Opening balance as of 1 January 2021	-	(9,698,117)	(9,698,117)
Charge of the period	-	(7,058,696)	(7,058,696)
Closing balance as of 31 December 2021	-	(16,756,813)	(16,756,813)
Net book value as of 31 December 2021	26,724,490	32,175,945	58,900,435

(*) 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

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

Current provisions	31 December 2022	31 December 2021
Provision for lawsuits	35,652,055	18,829,646
Provision for sales activities (*)	15,263,803	5,073,447
Provision for risky store (**)	2,812,822	2,231,140
Other provisions	11,815,962	860,804
	65,544,642	26,995,037

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

(**) Risky Store Provisions consist of the provisions set aside over store specific costs due to possible risks that may arise due to the Group's decision to close or move stores.

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

a) Guarantees Given

Guarantees, Pledges, Liens Given by The Group(GPL’s)	31 December 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 (*)	263,062,994	75,212,429	10,028,324	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	-	-	-	-	-	-
iii. Total GPL given in the name of 3rd parties						
not included in article C	-	-	-	-	-	-
Total GPL	263,062,994	75,212,429	10,028,324	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 TRY263,062,994 (31 December 2021: TRY209,116,313).

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

b) Lawsuits Filed by and Against to the Group

Lawsuits filed by the Group:

	31 December 2022	31 December 2021
Enforcement lawsuits	19,234,000	11,009,761
Compensation lawsuits	16,418,055	7,819,885
	35,652,055	18,829,646

12. PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR EMPLOYEE BENEFITS

Short-term provisions	31 December 2022	31 December 2021
Due to personnel	57,079,579	25,945,932
Unused vacation provision	4,243,731	1,756,224
Personnel aid provision	-	908
	61,323,310	27,703,064

Payables to employee benefits	31 December 2022	31 December 2021
Social security premiums payable	30,053,094	4,973,049
Due to personnel	24,937,922	11,538,800
Taxes and funds payable	13,377,147	3,077,755
	68,368,163	19,589,604

Long-term provisions	31 December 2022	31 December 2021
Provision for employment termination benefits	94,268,473	36,972,149
Provision for unused vacation	12,731,194	5,268,671
	106,999,667	42,240,820

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (aged 58 for women, 60 for men), terminated, called for military service or passed away.

Severance pay to be paid as of 31 December 2022 is subject to a monthly ceiling of TRY15,371.40 (31 December 2021: TRY8,284.51).

Severance pay liability is not legally subject to any funding. The provision for employment termination benefits is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 Employee Benefits requires the Group's obligations to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

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**12. PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR
EMPLOYEE BENEFITS (Continued)**

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Provisions at the relevant balance sheet date have been calculated using the real discount rate of approximately 1.5%, based on the assumptions of annual inflation of 17.64% and interest rate of 19.40% (31 December 2021: 3.72%). The maximum amount of 19,982.83 TL (1 January 2022: 10,848.59 TL) effective from 1 January 2023 has been taken into account in calculating the provision for employment termination benefits of the Group. The probability of retirement is considered as 94.17% and 54.37% for white collar and blue collar personnel, respectively.

Movement of provision for employee termination benefits is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Provision at 1 January	36,972,149	27,499,214
Service cost	59,465,834	14,750,619
Interest cost	530,924	977,431
Employment termination benefits paid	(7,742,740)	(5,756,108)
Actuarial loss	5,042,306	(499,007)
Provision for employment termination benefits	94,268,473	36,972,149

Movement of unused vacation provision is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Provision at 1 January	7,024,895	4,944,707
Increase in the period	19,397,197	6,181,956
Used in the period	(9,447,167)	(4,101,768)
Provision for unused vacation	16,974,925	7,024,895

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**12. PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR
EMPLOYEE BENEFITS (Continued)**

Movement of performance premium provision is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Provision at 1 January	25,945,932	12,678,574
Increase in the period	64,908,768	31,737,049
Paid in period	(33,775,121)	(18,469,691)
Provision for performance bonus	57,079,579	25,945,932

13. OTHER ASSETS AND LIABILITIES

Other Current Assets	31 December 2022	31 December 2021
Transferred VAT	83,065,584	-
Other	4,506,891	3,960,365
	87,572,475	3,960,365
Other Current Liabilities	31 December 2022	31 December 2021
Taxes and funds payable	14,018,018	5,986,344
Other	-	22,365
	14,018,018	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 31 December 2022 and 31 December 2021 as follows:

Name of the Shareholders(*)	(%)	31 December 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.

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14. SHAREHOLDERS' EQUITY (Continued)

Restricted Reserves

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

Defined Benefit Plans Remeasurement Losses

	31 December 2022	31 December 2021
Opening balance	(21,566,572)	(21,965,778)
Actuarial profit (loss)	(5,042,306)	499,007
Tax income related actuarial loss	1,008,461	(99,801)
Closing balance	(25,600,417)	(21,566,572)

Details of the retained earnings are as follows:

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

Pursuant to the decision taken by the Board of Directors on 7 April 2022, at the Ordinary General Assembly meeting on 13 May 2022, it was unanimously decided not to distribute profits for 2021 in order to strengthen the financial structure of the Group (year 2020: 19,242,526 TL profit distribution decision was taken. and done).

15. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2022	1 January - 31 December 2021
Domestic sales	14,714,518,619	7,338,905,365
<i>Tobacco</i>	2,373,312,467	1,507,864,601
<i>Non-Tobacco</i>	12,341,206,152	5,831,040,764
Sales returns (-)	(138,911,735)	(26,879,672)
Sales discounts (-)	(536,772,941)	(138,880,999)
	14,038,833,943	7,173,144,694

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15. REVENUE AND COST OF SALES (Continued)**b) Cost of Sales**

	1 January - 31 December 2022	1 January - 31 December 2021
<i>Tobacco</i>	(2,287,552,771)	(1,473,806,296)
<i>Non-Tobacco</i>	(9,736,769,703)	(4,816,513,890)
	(12,024,322,474)	(6,290,320,186)

**16. MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINISTRATION
EXPENSES**

	1 January - 31 December 2022	1 January - 31 December 2021
Marketing expenses (-)	(1,111,066,237)	(482,370,865)
General administrative expenses (-)	(246,516,400)	(94,593,907)
	(1,357,582,637)	(576,964,772)

17. EXPENSES BY NATURE

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

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	(602,172,710)	(249,778,115)
Utility expenses (electricity, natural gas, water etc.)	(116,565,815)	(36,024,570)
Amortization expenses (Note 9,10)	(109,215,555)	(80,434,403)
Logistics expenses	(72,640,758)	(23,578,189)
Advertising expenses	(53,814,206)	(19,391,939)
Outsourcing expenses	(42,394,358)	(16,691,398)
Maintenance expenses	(17,608,660)	(11,648,857)
Other marketing and sales expenses	(96,654,175)	(44,823,394)
	(1,111,066,237)	(482,370,865)

The details of general administrative expenses are as follows:

<u>The details of general administrative expenses</u>	1 January - 31 December 2022	1 January - 31 December 2021
IT and Accountant expense	(92,393,635)	(14,213,139)
Personnel expenses	(80,954,517)	(39,564,090)
Amortization and depreciation expenses (Note 9, 10)	(22,608,746)	(14,698,050)
Consultancy expenses	(29,591,653)	(14,890,287)
Outsourcing expenses	(10,079,415)	(2,732,416)
Travel expense	(2,142,630)	(1,758,128)
Other general administrative expenses	(8,745,804)	(6,737,797)
	(246,516,400)	(94,593,907)

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17. EXPENSES BY NATURE (Continued)**Fees for Services Obtained from Independent Auditor/Independent Audit Firm**

The explanation of the Group regarding the fees for the services rendered by the independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of the KGK dated 19 August 2021 are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Independent audit fee for the reporting period	242,727	162,700
	242,727	162,700

18. OTHER OPERATING INCOME/EXPENSES

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

	1 January - 31 December 2022	1 January - 31 December 2021
Finance income from credit sales	55,107,463	23,598,985
Rediscount income for trade receivables and payables	39,289,555	24,106,133
Foreign exchange gains	2,844,200	923,979
Other	8,937,453	8,809,621
	106,178,671	57,438,718

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

	1 January - 31 December 2022	1 January - 31 December 2021
Finance expense from credit purchase	(416,222,847)	(193,431,644)
Provision for lawsuits expenses	(16,822,409)	(6,557,916)
Foreign exchange losses	(9,022,411)	(7,337,726)
Provision for doubtful receivable expenses (Note 5)	(1,794,666)	(3,307,762)
Rediscount expense for trade receivables and payables	(1,649,473)	(2,272,621)
Other expenses	(12,798,696)	(1,441,264)
	(458,310,502)	(214,348,933)

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19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

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

	1 January - 31 December 2022	1 January - 31 December 2021
Interest income	74,841,799	58,166,348
Allowance for prepaid expenses	685,191	670,662
Other income	6,663,405	688,795
	82,190,395	59,525,805

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

	1 January - 31 December 2022	1 January - 31 December 2021
Loss on sale of tangible assets	(596,560)	(10,603,163)
	(596,560)	(10,603,163)

20. FINANCIAL EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Interest expenses on bank	(148,543,603)	(74,708,195)
Leasing Operations Financial Expense	(66,214,045)	(46,801,908)
Guarantee letter commission and other expenses	(5,197,887)	(1,301,783)
Severance pay interest cost (Note 12)	(530,924)	(977,431)
	(220,486,459)	(123,789,317)

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

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries and affiliates. Therefore, provisions for taxes reflected in these consolidated financial statements have been calculated separately for all companies included in the full consolidation.

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%).

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

In Turkey, provisional tax is calculated and accrued on a quarterly basis. At the stage of taxation of the corporate earnings for the 2022 accounting period as of the temporary tax periods, a temporary tax of 23% was calculated over the corporate earnings (2021: 25%). Losses can be carried forward for a maximum of 5 years, to be deducted from taxable profits in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

There is no definitive and definitive agreement procedure for tax assessment in Turkey. Companies prepare their tax returns between April 1 and April 30, the year following the closing period of the relevant year. These declarations and the accounting records based on them can be reviewed and changed by the Tax Office within 5 years.

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 - 31 December 2022	1 January - 31 December 2021
Restatement and depreciation/ amortization differences of property, plant and equipment and other intangible assets	(112,027,982)	(1,272,767)
Discount on trade receivables and payables	13,957,107	10,123,515
Performance premiums and other social rights	(2,000,000)	(4,312,763)
Provision for unpaid vacation	(3,394,985)	(1,404,979)
Provision for doubtful receivable	(1,217,919)	(1,403,006)
Provision for lawsuit	(7,130,411)	(3,765,929)
Lease liabilities	(7,218,518)	(8,086,418)
Provision for employee termination benefits	(18,853,695)	(7,394,430)
Expense accruals	(17,941,349)	(17,065,332)
Other	(14,663,409)	(2,859,200)
	(170,491,161)	(37,441,309)

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

Movement of deferred tax (assets)/liabilities:

<u>Movement of deferred tax (assets)/liabilities</u>	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance at 1 January	(37,441,309)	(3,739,373)
Charged to income statement	(132,041,391)	(33,801,737)
Charged to equity	(1,008,461)	99,801
Closing balance	(170,491,161)	(37,441,309)

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

	31 December 2022	31 December 2021
Current period corporate tax provision	19,576,110	25,639,136
Prepaid taxes from the profit for the period	(57,217,314)	(4,133,973)
Tax liability in the balance sheet	(37,641,204)	21,505,163

Charge for taxation as of 31 December 2022 and 31 December 2021 are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Current tax charge	(19,576,110)	(25,639,136)
Deferred tax income	132,041,391	33,801,737
Tax income/(expense)	112,465,281	8,162,601

Reconciliation of taxation:

	1 January - 31 December 2022	1 January - 31 December 2021
Profit before tax	165,904,377	74,082,846
Tax charge rate	23%	25%
Calculated tax	(38,158,007)	(18,520,712)
Effect of different tax rates	2,847,934	2,782,357
The effect of the revaluation of tangible and intangible assets (*)	158,774,814	24,967,534
Non-deductible expenses	(10,999,460)	(1,066,578)
Tax income/(expense)	112,465,281	8,162,601

(*) The Group revalued its tangible and intangible assets and their depreciation as of 31 December 2021. within the scope of the Tax Procedure Law General Communiqué (Sequence No: 530) published by the Ministry of Treasury and Finance. Due to IFRS. related assets are continued to be accounted under cost method. It has calculated the deferred tax asset/liability. which is currently calculated over the temporary difference between IFRS and TPL. over the current TPL values that will occur with the effect of revaluation. and the deferred tax income that will arise due to this application. to the extent that the recovery of the said tax advantage is deemed possible. is calculated as a single income tax accounted for in the table. As of 31 December 2022. the effect of deferred tax assets is TRY183,742,348 (31 December 2021: TRY24,967,534).

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22. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding for the years ended 31 December 2022 and 2021 and computation of earnings per share as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Basic earnings per share		
Number of shares outstanding during the period	60,000,000	60,000,000
Net income for the period	278,369,658	82,245,447
Earnings per share (TRY)	4.639	1.371

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) The detail of receivables from related parties is as follows:

	31 December 2022	31 December 2021
Trade receivables	25,460,057	6,872,024
Non-trade receivable	-	1,426,957
	25,460,057	8,298,981

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

a) The detail of trade receivables is as follows:

	31 December 2022	31 December 2021	Non - Trade
	Trade	Trade	
<i>Parent company</i>			
Yıldız Holding A.Ş.	-	494,398	1,426,957
<i>Other related parties</i>			
Future Teknoloji Ticaret A.Ş.	15,840,733	22,813	-
Aytaç Gıda Yatırım San. Tic. A.Ş.	6,510,264	-	-
Donuk Fırın Ür. San. ve Tic. A.Ş.	1,640,388	636,419	-
KV2K Perakende Müşteri Hizmetleri A.Ş.	993,301	989,400	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	154,874	33,208	-
Önem Gıda San. ve Tic. A.Ş.	77,122	-	-
Continental Conficti	68,448	-	-
Ülker Çikolata Sanayi A.Ş.	54,469	-	-
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	38,751	44,326	-
E Star Global E-Ticaret Satış ve Paz. A.Ş.	32,310	-	-
Ülker Bisküvi San. A.Ş.	23,931	-	-
Beta Marina Liman Yatırımları A.Ş.	12,434	-	-
Makina Tarım Endüstrisi A.Ş.	7,680	105,596	-
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	5,052	-	-
Northstar Innovation A.Ş.	300	-	-
Ülker Family and Board Members	-	3,150,789	-
Kereviş Gıda San. ve Tic. A.Ş.	-	16,852	-
Most Bilgi Sistemleri Tic. A.Ş.	-	2,710	-
Adapazarı Şeker Fabrikası A.Ş.	-	55,778	-
Polinas Plastik San. Tic. A.Ş.	-	550	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	388,680	-
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	15,525	-
CCC Gıda San. ve Tic. A.Ş.	-	58,542	-
Dank Gıda San. ve Tic. A.Ş.	-	4,636	-
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	-	75,083	-
Şok Marketler Ticaret A.Ş.	-	66,407	-
Marsa Yağ San. ve Tic. A.Ş.	-	699,238	-
Mevsim Taze Sebze Meyve Sanayi ve Tic. A.Ş.	-	4,575	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	6,499	-
	25,460,057	6,872,024	1,426,957

Trade receivables from retailed parties is mainly composed of sales transactions and approximate maturity is 30 - 60 days. Non-trade receivables are loans given to related parties. and interest is received as quarterly based on effective market interest rate. The interest rate used in 2022 is 19 - 28% for TRY (31 December 2021: 17.3 - 22.5% for TRY).

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

b) The detail of payables to related parties is as follows:

	31 December 2022	31 December 2021
Trade Payables	452,124,888	244,734,390
	452,124,888	244,734,390

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

	31 December 2022	31 December 2021
	Trade	Trade
Parent company		
Yıldız Holding A.Ş.	6,401,557	3,722,766
Other related parties		
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	232,107,557	118,932,064
Şok Marketler Ticaret A.Ş.	93,492,329	51,416,336
Kereviş Gıda San. ve Tic. A.Ş.	28,783,477	7,706,725
İzsal Gayrimenkul Geliştirme A.Ş.	25,439,328	299,131
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	18,821,554	2,200,784
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	16,400,804	3,569,328
Polinas Plastik San. Tic. A.Ş.	13,508,919	8,566,844
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	8,690,652	11,532,007
Aytaç Gıda Yatırım San. Tic. A.Ş.	3,003,877	1,159,803
Çayırovası İnşaat Taahhüt Tic. A.Ş.	2,358,847	500,290
Kv2k Perakende Müşteri Hizmetleri A.Ş.	993,301	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	580,030	161,911
Sağlam İnşaat Taahhüt Tic. A.Ş.	560,922	197,314
Marsa Yağ San. ve Tic. A.Ş.	409,643	808,818
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	408,587	717,638
Pendik Marina Yat ve Çekek İşletmeciliği A.Ş.	64,419	101,764
Dank Gıda San. ve Tic. A.Ş.	52,120	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	46,106	16,284
Adapazarı Şeker Fabrikası A.Ş.	859	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	18,263,087
UCZ Mağazacılık Ticaret A.Ş.	-	3,909,366
Ülker Family and Board Members	-	163,608
E Star Global E-Ticaret Satış ve Paz. A.Ş.	-	1,361
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	-	2,244
Donuk Fırın. Ür. San. ve Tic. A.Ş.	-	48
Most Bilgi Sistemleri Tic. A.Ş.	-	10,784,869
	452,124,888	244,734,390

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23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

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

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

	1 January - 31 December 2022		1 January - 31 December 2021	
	Purchases	Sales	Purchases	Sales
Parent company				
Yıldız Holding A.Ş.	-	6,221	-	34,367
Other related parties				
Adapazarı Şeker Fabrikası A.Ş.	4,369,945	3,641	1,141,793	150,520
Aytaç Gıda Yatırım San. Tic. A.Ş.	5,080,137	1,293,999	7,470,019	178,707
Azmüsebat Çelik San. Tic. A.Ş.	-	8,607	-	3,385
Besler Gıda ve Kimya San. ve Tic. A.Ş.	150,549,436	135,682	96,483,373	729,294
Beta Marina Liman Yat ve Çekek İşletmesi A.Ş.	-	30,815	-	76,758
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	50,758,643	657,079	15,429,153	1,314,442
CCC Gıda San. ve Tic. A.Ş.	-	1,304,355	-	420,983
Dank Gıda San. ve Tic. A.Ş.	-	310,627	-	65,408
Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş.	-	4,514,002	10,897	694,860
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	246,781	235,949	-	41,342
E Star Global E Ticaret Satış ve Pazarlama A.Ş.	-	1,511,559	-	1,718,083
Future Teknoloji Ticaret A.Ş.	-	21,242,934	-	4,114,466
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	58,732,680	2,561,900	11,130,457	5,590,608
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	990,614,209	3,714,674	483,870,026	148,611
İstanbul Gıda Dış Tic. A.Ş. (Gruptan ayrıldı)	-	30,619	-	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	8,694	-	309
Kerevitaş Gıda San. ve Tic. A.Ş.	43,211,988	90,024	19,494,523	491,912
Makina Takım Endüstrisi A.Ş.	-	93,750	-	146,194
Marsa Yağ San. ve Tic. A.Ş.	1,143,563	46,631	1,348,460	481,228
Mevsim Taze Sebze Meyve San. ve Tic. A.Ş.	-	-	-	63,492
Milhans Gıda Ürün. San. Tic. A.Ş.	51,841	24,000	-	-
Most Bilgi Sistemleri Tic A.Ş.	-	-	6,768,882	10,480
Önem Gıda San. ve Tic. A.Ş.	-	92,900	-	375,379
Pasifik Tüketim Ürünleri Satış ve Ticaret A.Ş.	-	-	-	27,905
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	278,915	-	86,593
Penta Teknoloji Ürünleri Dağıtım Tic.A.Ş.	-	50,392	866,616	205,261
PNS Pendik Nişasta San. A.Ş. (Gruptan ayrıldı)	-	-	4,627,156	-
Polinas Plastik San. Tic. A.Ş.	60,817,776	57,625	20,053,165	116,611
Reform Gıda Paz. San. Tic. A.Ş.	-	812,592	-	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	66,669	-	7,942
Şok Marketler Ticaret A.Ş.	364,650,134	4,874,	257,723,894	3,709,370
UCZ Mağazacılık Tic. A.Ş.	-	9,015	3,663,999	4,799
Ülker Ailesi ve Yönetim Kurulu Üyeleri	-	4,616,081	-	6,895,205
Ülker Bisküvi San. A.Ş.	-	826,249	-	5,675,489
Ülker Çikolata Sanayi A.Ş.	-	1,224,884	-	5,422,219
Yelken Yönetim Danışmanlık ve Servis Hizmetleri A.Ş.	-	1,319	-	1,879
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	99,974,199	3,956	67,082,307	278,619
	1,830,201,332	45,871,233	997,464,720	39,282,720

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 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 - 31 December 2022	Interest income	Interest expense	Rent expense	Service expense	Other income	Other expense
<i>Parent company</i>						
Yıldız Holding A.Ş.	64,689,307	(3,872,477)	-	(32,476,396)	-	(325,279)
<i>Other related parties</i>						
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	-	39,222	-
Beta Marina Liman Yat ve Çekek İşletmesi A.Ş.	-	-	(20,777)	-	-	-
Çayırovası İnş. Taah. Tic. A.Ş.	-	-	(2,317,002)	-	-	(1,016,166)
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	-	(163,263)
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	-	-	-	20,000	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	-	-	(6,352)	-	261,652	(2,136)
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	-	-	-	-	3,714,593	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	-	(374,479)	(95,855,337)	-	-
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	-	41,625	-
Marsa Yağ San. ve Tic. A.Ş.	-	-	(294,466)	-	-	(57,669)
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	-	(386,850)	-	-	(102,410)
Penta Teknoloji Ürünleri Dağıtım Tic.A.Ş.	-	-	-	-	-	(2,751,494)
Polinas Plastik San. Tic. A.Ş.	-	-	-	-	45,017	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	-	66,240	(3,473,125)
Seç Marketçilik A.Ş.	-	-	-	-	13,230	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	(922,529)	-	-	-
Şok Marketler Ticaret A.Ş.	-	-	(22,229)	-	-	-
	64,689,307	(3,872,477)	(4,344,684)	(128,331,733)	4,201,579	(7,891,542)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

1 January - 31 December 2021	Interest income	Interest expense	Rent expense	Service expense	Other income	Other expense
<i>Parent company</i>						
Yıldız Holding A.Ş.	40,110,113	(2,431,300)	-	(14,808,823)	783,904	(4,441,505)
<i>Other related parties</i>						
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	-	208,766	(13,231)
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	-	(32,890)	-	-	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	-	-	-	-	742	-
Çayırovası İnş. Taah. Tic. A.Ş.	-	-	(848,789)	-	-	(287,252)
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	202	(43,470)
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.	-	-	(99,811)	-	1,203,323	(168,492)
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	-	-	-	23,713,201	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	-	(518,836)	-	2,177	(723,173)
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	-	68,057	(40,762)
Marsa Yağ San. ve Tic. A.Ş.	-	-	(211,561)	-	-	(257,463)
Most Bilgi Sistemleri Tic A.Ş.	-	-	-	-	255,790	(30,246,398)
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	-	(294,602)	-	-	(2,336)
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	-	(62,409)
Polinas Plastik San. Tic. A.Ş.	-	-	-	-	169,467	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	-	371,958	(1,628,304)
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	(455,118)	-	21,653	-
Şok Marketler Ticaret A.Ş.	-	-	(529,685)	-	227,833	-
Ülker Bisküvi San. A.Ş.	-	-	-	-	31,127	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	-	-	-	-	(139,033)
	40,110,113	(2,431,300)	(2,991,292)	(14,808,823)	27,058,393	(38,110,617)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 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- 31 December 2022	1 January- 31 December 2021
Salaries and other short-term benefits	19,501,254	11,156,612
	19,501,254	11,156,612

24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

1) Foreign currency risk management

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

	31 December 2022			
	TRY Equivalents (Functional currency)	USD	EUR	GBP
1. Trade Receivables	12,379	-	621	-
2a. Monetary Financial Assets	2,051,389	44,772	59,134	1,574
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	2,063,768	44,772	59,755	1,574
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	372,212	12,552	6,898	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	372,212	12,552	6,898	-
9. TOTAL ASSETS	2,435,980	57,324	66,653	1,574
10. Trade Payables	11,145,363	47,719	513,324	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	11,145,363	47,719	513,324	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	11,145,363	47,719	513,324	-
19. Net foreign currency liability position (9-18)	(8,709,383)	9,605	(446,671)	1,574
20. Net foreign currency asset/liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(8,709,383)	9,605	(446,671)	1,574

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 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 equivalents (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 (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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

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

	31 December 2022	
	Appreciation of foreign currency by 20%	Depreciation of foreign currency by 20%
1- US Dollar net asset/liability	35,919	(35,919)
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1+2)	35,919	(35,919)
4- Other net assets/liabilities	(1,776,959)	1,776,959
5- Part of hedged from other risk (-)	-	-
6- Other net effect (4+5)	(1,776,959)	1,776,959

	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

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

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

31 December 2022	Financial Assets at amortized cost	Financial Liabilities at amortized cost	Carrying value	Note
<u>Financial assets</u>				
Cash and cash equivalents	634,587,187	-	634,587,187	3
Trade receivables	426,972,235	-	426,972,235	5
Due from related parties	25,460,057	-	25,460,057	23
Other financial assets	15,280,608	-	15,280,608	6
<u>Financial liabilities</u>				
Lease liabilities	-	1,079,277	1,079,277	4
Leasing Liabilities	-	311,070,519	311,070,519	4
Trade payables	-	2,375,788,183	2,375,788,183	5
Due to related parties	-	452,124,888	452,124,888	23
Other financial liabilities	-	82,386,181	82,386,181	12.13
<u>31 December 2021</u>				
<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 31 December 2022, and 2021 the gross payment plan of the lease liabilities which are not discounted is as follows:

31 December 2022	Net book value	Total contractual cash outflow	Less than 3 months	3 - 12 months	1 - 5 years	5 years and overs
Lease Liabilities	311,070,519	665,498,062	31,712,642	88,276,159	319,024,671	226,484,590
Total	311,070,519	665,498,062	31,712,642	88,276,159	319,024,671	226,484,590
<u>31 December 2021</u>						
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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

**24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(Continued)****1. Capital risk management**

While trying to ensure the continuity of its activities in capital management, the Group also aims to increase its profits by using the debt and equity balance in the most efficient way.

The Group's capital structure consists of payables including finance leases explained in note 4, other payables to related parties and other receivables from related parties explained in note 23, cash and cash equivalents explained in note 3 and equity items including capital and reserves explained in note 14.

Top management reviews capital by leverage ratio, consistent with other firms in the industry. The said ratio is calculated by dividing the net debt by the total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (consisting of short and long-term borrowings excluding lease obligations, other receivables / payables with Group companies and non-Group financial liabilities). Total capital is calculated as equity plus net debt as shown in the consolidated statement of financial position.

	31 December 2022	31 December 2021
Total financial payables and non-trade payables to related parties (*)	1,079,277	904,083
Less: cash and cash equivalents	(634,587,187)	(585,389,621)
Net debt	(633,507,910)	(584,778,969)
Total equity (*)	519,304,773	240,354,145
Total capital	(114,203,137)	(344,424,824)
Net debt/equity rate	-%	-%

(*) TFRS 16 impact is not included.

25. EVENTS AFTER THE REPORTING PERIOD

Due to the 6 February 2023 earthquake disaster, the epicenter of which was Kahramanmaraş, and which affected 10 provinces, 1 of our rented and insured stores became unusable, and 3 were significantly affected. Activities were stopped at the unusable warehouse and shifted to our other three warehouses. 273 of our 401 dealers in the region of our SEÇ marketing franchise platform are active and continue to serve their customers. 23 of our dealers have been demolished. Our evaluation of the remaining 105 dealers in terms of renovation, repair and relocation continues. Insurance appraisal studies have been initiated to determine compensation needed for the damage to all our stores affected by the earthquake.

Law No. 7438 amending the Social Insurance and General Health Insurance Law and Decree Law No. 375 came into force after being published in Official Gazette number 32121 dated 3 March 2023. Studies to measure the effects of this issue on the Company's/Group's operations, cash flows and financial position in 2023 are still ongoing as of the date of this report.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
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APPENDIX - SUPPLEMENTARY OTHER INFORMATIONS

As the supporting information note that is not required by TFRS, it has been evaluated as important for the presentation of its financial performance by the Group management and the calculation table of Profit Before Interest, Depreciation, Amortization and Taxes (EBITDA) and Earnings Before Interest, Depreciation, Amortization, Taxes and Rent Expenses (EBITDA) presented below. The Group calculated EBITDA by adding depreciation and amortization expenses to operating profit before other income and expenses from main operations. EBITDA amount is calculated by adding rental expenses to EBITDA. EBITDA is not a performance measure defined in TFRS and may not be comparable to other companies. In addition, in order to be comparable to the study, the figures before TFRS 16 are included.

	Current Period 1 January - 31 December 2022	Prior Period 1 January - 31 December 2021
NET PROFIT FOR THE YEAR (without TFRS 16)	282,984,472	87,474,806
NET PROFIT FOR THE YEAR	278,369,658	82,245,447
Tax Expense (without TFRS 16)	113,333,180	5,443,590
Tax Expense	112,465,281	8,162,601
PROFIT BEFORE TAX (without TFRS 16)	169,651,292	82,031,216
PROFIT BEFORE TAX	165,904,377	74,082,846
Financial Expenses (-) (without TFRS 16)	(154,276,867)	(76,987,409)
Financial Expenses (-)	(220,486,459)	(123,789,317)
Income (Expense) from Investing Activities	81,593,835	48,922,642
Amortization Expense (without TFRS 16)	(74,084,494)	(47,339,457)
Amortization Expense	(131,824,300)	(95,132,453)
Other Income/(Expense) from Operating Activities	(352,131,831)	(156,910,215)
EBITDA (without TFRS 16)	668,550,649	314,345,655
EBITDA	788,753,132	400,992,189
Warehouse. center and shop lease expense (without TFRS 16)	131,825,578	87,456,984
Warehouse. center and shop lease expense	-	-
EBITDAL (without TFRS 16)	788,753,132	401,802,639
EBITDAL	788,753,132	401,803,341

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
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(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

APPENDIX - SUPPLEMENTARY OTHER INFORMATIONS (Continued)

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

Assets	Current Period 31 December 2022	Prior Period 31 December 2021
Current Assets	2,974,830,787	1,548,823,898
Cash and Cash Equivalents	634,587,187	585,389,621
Trade Receivables	452,432,292	173,585,414
Other Receivables	2,677,726	1,505,217
Inventories	1,665,106,201	733,557,865
Prepaid Expenses	94,813,702	50,825,416
Current Income Tax Assets	37,641,204	-
Other assets	87,572,475	3,960,365
Non-Current Assets	755,354,199	402,657,580
Other Receivables	12,602,882	4,487,429
Tangible Assets	530,997,668	299,449,463
Intangible Assets	46,142,834	58,900,435
Prepaid Expenses	2,338,172	2,378,944
Deferred Tax Assets	163,272,643	37,441,309
Total assets	3,730,184,986	1,951,481,478
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Liabilities	Current Period 31 December 2022	Prior Period 31 December 2021
Current Liabilities	3,098,195,518	1,653,734,366
Short-term Borrowings	1,079,277	904,083
Trade Payables	2,827,913,071	1,540,384,205
Liabilities for Employee Benefits	68,368,163	19,589,604
Deferred Revenue	59,949,037	10,182,487
Deferred Tax Liabilities	-	21,505,163
Short-term Provisions	126,867,952	55,160,115
Other Current Liabilities	14,018,018	6,008,709
Non-Current Liabilities	112,684,695	57,392,967
Long-term Borrowings	-	1,133,526
Long-term Provisions	106,999,667	42,240,820
Deferred Tax Liabilities	-	8,086,418
Deferred Revenue	5,685,028	5,932,203
Equity	519,304,773	240,354,145
Shareholders' Equity	519,335,062	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	(25,600,417)	(21,566,572)
Restricted Reserves Appropriated from Profits	14,330,810	14,330,810
Retained Earnings	201,146,515	113,649,265
Net Profit for the Year	282,991,646	87,497,249
Non-controlling Interest	(30,289)	(23,115)
Total Liabilities	3,730,184,986	1,951,481,478

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

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

APPENDIX SUPPLEMENTARY OTHER INFORMATIONS (Continued)

	Current Period	Prior Period
	1 January - 31 December 2022	1 January - 31 December 2021
PROFIT OR LOSS		
Revenue	14,038,833,943	7,173,144,694
Cost of Sales (-)	(12,024,322,474)	(6,290,320,186)
GROSS PROFIT	2,014,511,469	882,824,508
Marketing Expenses (-)	(1,171,040,440)	(519,470,322)
General Administrative Expenses (-)	(249,004,874)	(96,347,988)
Other Income from Operating Activities	106,178,671	57,438,718
Other Expenses from Operating Activities (-)	(458,310,502)	(214,348,933)
OPERATING PROFIT	242,334,324	110,095,983
Income from Investing Activities	82,190,395	59,525,805
Expense from Investing Activities (-)	(596,560)	(10,603,163)
PROFIT BEFORE FINANCE EXPENSES	323,928,159	159,018,625
Financial Expenses (-)	(154,276,867)	(76,987,409)
Profit Before Tax	169,651,292	82,031,216
Tax Expense	113,333,180	5,443,590
Current Tax Expense	(19,576,110)	(25,639,136)
Deferred Tax Income (expense)	132,909,290	31,082,726
Net Profit for the Year	282,984,472	87,474,806
Distribution Of Net Profit For The Period		
Non-controlling interest	(7,174)	(22,443)
Equity holders of the parent	282,991,646	87,497,249
Earnings per share (TRY)	4,716	1,458
OTHER COMPREHENSIVE EXPENSE		
Items not to be reclassified to profit or loss	(4,033,845)	399,206
Defined benefit plans re-measurement (gain)/losses	(5,042,306)	499,007
Items not to be reclassified to profit or (loss) Other comprehensive expenses on taxes	1,008,461	(99,801)
TOTAL OTHERCOMPREHENSIVE INCOME	278,950,627	87,874,012
Distribution of total other comprehensive income		
Non-controlling interest	(7,174)	(22,443)
Equity holders of the parent	278,957,801	87,896,455