

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

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
1 JANUARY - 31 MARCH, 2023**

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

Assets	Note	Current Period 31 March 2023	Prior Period 31 December 2022
Current assets		3.418.308.663	2.967.063.613
Cash and cash equivalents	3	487.113.756	634.587.187
Trade receivables		485.177.362	452.432.292
<i>Due from related parties</i>	5, 23	35.701.714	25.460.057
<i>Due from third parties</i>	5	449.475.648	426.972.235
Other receivables		28.225.284	2.677.726
<i>Other receivables from third parties</i>	6	28.225.284	2.677.726
Inventories	7	2.207.722.216	1.665.106.201
Prepaid expenses	8	38.562.124	87.046.528
Current income tax assets	21	41.411.604	37.641.204
Other current assets		130.096.317	87.572.475
Non-current assets		1.182.957.423	1.045.317.822
Other receivables		12.916.255	12.602.882
<i>Other receivables from third parties</i>	6	12.916.255	12.602.882
Property, plant and equipment	9	542.679.235	530.997.668
Right of use assets	9	396.719.902	285.083.277
Intangible assets	10	49.356.917	46.142.834
Deferred tax asset	21	181.285.114	170.491.161
Total assets		4.601.266.086	4.012.381.435

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS OF 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

Liabilities	Note	Current Period 31 March 2023	Prior Period 31 December 2022
Current liabilities		3.756.471.214	3.205.897.115
Short term borrowings		140.466.961	108.780.874
- <i>Financial lease liabilities</i>	4	827.211	1.079.277
- <i>Lease liabilities due to related parties</i>	4	5.145.900	300.757
- <i>Lease liabilities due to third parties</i>	4	134.493.850	107.400.840
Trade payables		3.339.022.892	2.827.913.071
- <i>Due to related parties</i>	5,23	613.240.436	452.124.888
- <i>Due to third parties</i>	5	2.725.782.456	2.375.788.183
Other payables		1.884.129	-
- <i>Due to related parties</i>	5,23	1.884.129	-
Liabilities for employee benefits	12	111.971.029	68.368.163
Deferred income	8	25.070.021	59.949.037
Short term provisions		123.578.889	126.867.952
- <i>Provision for employee benefits</i>	12	52.218.853	61.323.310
- <i>Other short term provisions</i>	11	71.360.036	65.544.642
Other short term liabilities		14.477.293	14.018.018
- <i>Due to third parties</i>	13	14.477.293	14.018.018
Non-current liabilities		399.405.173	316.053.617
Long term borrowings		285.731.475	203.368.922
- <i>Lease liabilities due to related parties</i>	4	9.645.763	755.028
- <i>Lease liabilities due to third parties</i>	4	276.085.712	202.613.894
Long term provisions		111.696.297	106.999.667
- <i>Provision for employee benefits</i>	12	111.696.297	106.999.667
Deferred income	8	1.977.401	5.685.028
Equity		445.389.699	490.430.703
Shareholders' equity		445.422.296	490.460.992
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		(40.081.712)	(25.600.417)
- <i>Defined benefit plans actuarial losses</i>	14	(40.081.712)	(25.600.417)
Restricted profit reserves	14	14.330.809	14.330.810
Retained earnings	14	455.264.091	176.887.259
Net profit for the period		(30.557.400)	278.376.832
Non-controlling interests		(32.597)	(30.289)
Total liabilities		4.601.266.086	4.012.381.435

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE 3-MONTH INTERIM PERIOD
ENDED 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

	<u>Note</u>	<u>Current Period</u>	<u>Prior Period</u>
		<u>1 January- 31 March 2023</u>	<u>1 January- 31 March 2022</u>
Profit or loss			
Revenue	15	4.496.268.990	2.348.086.506
Cost of sales (-)	15	(3.871.998.809)	(1.985.957.042)
Gross profit		624.270.181	362.129.464
Marketing expenses (-)	16, 17	(399.754.348)	(198.970.801)
General administrative expenses(-)	16, 17	(76.672.450)	(47.254.256)
Other income from operating activities	18	33.614.357	14.308.487
Other expenses from operating activities(-)	18	(172.983.822)	(72.725.226)
Operating profit		8.473.918	57.487.668
Income from investing activities	19	29.316.763	19.610.845
Expenses from investing activities (-)	19	(14.274)	-
Operating profit before financial expenses		37.776.407	77.098.513
Financial expenses(-)	20	(75.509.745)	(38.593.756)
Profit before tax from continuing operations		(37.733.338)	38.504.757
Tax income/(expense)		7.173.630	(13.458.567)
Current tax expense	21	-	(29.150.300)
Deferred tax income	21	7.173.630	15.691.733
Net profit for the period		(30.559.708)	25.046.190
Net loss attributable to			
Non-controlling interests		(2.308)	(3.632)
Equity holders of the parent		(30.557.400)	25.049.822
Earnings per share (TL)	22	(0,509)	0,417
Other comprehensive expense			
Items not to be reclassified to profit or loss		(14.481.295)	2.573.618
Defined benefit plans actuarial gains /(losses)	14	(18.101.619)	3.217.024
Deferred tax income/(expense) related to items of other comprehensive income not to be reclassified to profit or loss	21	3.620.324	(643.406)
Total comprehensive income		(45.041.003)	27.619.808
Total comprehensive income attributable to			
Non-controlling interests		(2.308)	(3.632)
Equity holders of the parent		(45.038.695)	27.623.440

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

	Note	Share capital	Restricted profit reserves	Treasury shares	Other comprehensive income and expenses not to be reclassified to profit or loss	Retained earnings		Equity holders of the parent	Non-controlling interests	Total equity
					Defined benefit plans actuarial losses	Prior years' profits	Net profit for the period			
Balance as of 1 January 2022		60.000.000	14.330.810	(13.533.492)	(21.566.572)	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	-	-	-	2.573.618	-	25.049.822	27.623.440	(3.632)	27.619.808
Balance as of 31 March 2022		60.000.000	14.330.810	(13.533.492)	(18.992.954)	176.887.259	25.049.822	243.741.445	(26.747)	243.714.698
Balance as of 1 January 2023		60.000.000	14.330.810	(13.533.492)	(25.600.417)	176.887.259	278.376.832	490.460.992	(30.289)	490.430.703
Transfers	14	-	-	-	-	278.376.832	(278.376.832)	-	-	-
Total comprehensive income	14	-	-	-	(14.481.295)	-	(30.557.400)	(45.038.695)	(2.308)	(45.041.003)
Balance as of 31 March 2023		60.000.000	14.330.810	(13.533.492)	(40.081.712)	455.264.091	(30.557.400)	445.422.297	(32.597)	445.389.700

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

		<u>Current Period</u> 1 January- 31 March 2023	<u>Prior Period</u> 1 January- 31 March 2022
A. Cash flows from operating activities		(49.969.783)	(62.939.610)
Net profit for the period from continuing operations		(30.559.708)	25.046.190
Adjustments to reconcile net cash provided from operating activities to net income after taxes			
Adjustments for depreciation and amortisation expense	9,10	49.512.000	30.315.980
Adjustments for provisions	11,12	65.980.901	34.866.964
Adjustments for impairment (reversal) for receivables	5	(2.345.398)	67.586
Adjustments for inventory impairment (reversal)	7	(25.783.000)	14.500.000
Adjustments for losses from disposal of non-current assets	19	14.274	-
Adjustments for profit (loss) reconciliation		(4.717.672)	(2.178.053)
Adjustments for interest expenses (income)	19,20	13.175.076	23.279.788
Adjustments for tax expense (income)	21	(7.173.630)	13.458.567
Changes in working capital		(19.095.972)	(162.820.329)
Adjustments for increase in trade receivables		(21.752.576)	(63.399.387)
Adjustments for increase in inventories		(516.833.015)	(452.529.745)
Adjustments for increase in other receivables from operations		(68.384.773)	(10.756.410)
Adjustments for decrease (increase) in prepaid expenses		48.484.404	(37.275.016)
Adjustments for increase in trade payables		513.648.099	360.997.065
Adjustments for increase in other payables from operations		25.741.890	40.143.164
Cash flows from operating activities		39.006.872	(23.463.307)
Tax (payments) refunds		(3.770.400)	(21.724.077)
Employee benefits paid (-)	12	(85.206.255)	(17.752.226)
B. Cash flows from investing activities		(10.826.049)	(11.281.435)
Proceeds from sales of tangible and intangible fixed assets		48.318	-
Payments due to purchases of tangible and intangible fixed assets		(39.455.000)	(26.595.403)
Interest received	19	28.580.633	15.313.968
C. Cash flows from financing activities		(86.677.598)	(49.521.993)
Cash inflows/(outflows) from borrowings		-	1.426.957
Cash outflows due to payments for liabilities from financial lease agreements	4	(252.066)	(296.614)
Cash outflows due to payments for lease liabilities		(44.669.823)	(25.947.873)
Interest paid	20	(41.755.709)	(24.704.463)
Net (decrease) increase in cash and cash equivalents (A+B+C)	3	(147.473.430)	(123.743.038)
D. Cash and cash equivalents at the beginning of the period	3	634.587.187	585.389.621
Cash and cash equivalents at the end of the period (A+B+C+D)	3	487.113.757	461.646.583

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

1. GROUP'S ORGANISATION AND NATURE OF OPERATIONS

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

The main scope of activity of the Company and its subsidiaries ('Group') is wholesale and retail sales of fast-moving consumer goods to points of sale such as small dealers, markets and canteens; catering businesses, corporate and retail customers and taxpayer legal entities and persons.

As of 31 March 2023, the Company has 180 stores in 72 cities (31 December 2022: 180 in 72 cities). The number of personnel employed within the structure of the Group is 2.872 as of 31 March 2023 (31 December 2022: 2.853). As of 31 March 2023, the number of shops within the goods-procurement business partnership system of the Group is 2.500 (31 December 2022: 2.409).

The ultimate parent and the entity which holds the control of the Group is Yıldız Holding A.Ş. The control of Yıldız Holding A.Ş. belongs to Ülker family. The Group shares are publicly traded in Istanbul Stock Exchange (Borsa İstanbul) since 3 February 2011.

The names and share percentages of the Group's shareholders as of 31 March 2023 are as follows;

Name of the shareholder (*)	(%)	31 March 2023	(%)	31 December 2022
Yıldız Holding A.Ş.	55,19	33.111.291	55,19	33.111.291
Publicly quoted	44,81	26.888.709	44,81	26.888.709
	100	60.000.000	100	60.000.000

(*) Presented in accordance with the data of Central Securities Depository of the Turkish capital markets and shareholding structure announced at Public Disclosure Platform ('KAP')

Subsidiary	31 March 2023	31 December 2022
SEÇ Marketçilik A.Ş. (*)	90,00	90,00

(*) SEÇ Marketçilik A.Ş. was established and registered on 19 August 2020 with a share capital of 50.000 TL and 90% of its shares belongs to Bizim Toptan Satış Mağazaları A.Ş.

The Company and its subsidiary are hereinafter referred to as 'Group'.

Approval of the Interim Consolidated Financial Statements:

Condensed consolidated financial statements have been approved by the Management Board and granted authority for publication on 10 May 2023.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Basis of Preparation of the Consolidated Financial Statements and Certain Accounting Policies

The Company and its subsidiaries keep and prepare its statutory books and financial statements in accordance with the accounting principles stipulated in Turkish Commercial Code ('TCC') and tax legislation.

The attached consolidated financial statements have been prepared in accordance with the provisions of communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676 and according to the Article 5 of the Communiqué, Turkish Accounting Standards, ("TAS") and related appendices and interpretations issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") are taken as basis.

The consolidated financial statements are presented in accordance with the layouts specified in the "Announcement regarding with TAS Taxonomy" which was published on April 15, 2019 by POA and in the Illustrative Financial Statements and User Guide issued by CMB.

Functional currency used

Financial statements of the Group are presented in the currency (functional currency) of the primary economic environment in which it operates. Financial position and the results of operations are expressed in TL which is the applicable functional currency of the Group.

Restatement of Financial Statements during the Periods of Hyperinflation

Pursuant to no:11/367 decision of CMB dated 17 March 2015, application of inflation accounting for companies which carry out activity in Turkey and prepare financial statements in accordance with TAS was discontinued as from 1 January 2015. Accordingly, Standard No:29 'Financial Reporting in Hyperinflationary Economies' ('TAS 29') has not been implemented as from 1 January 2015.

Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

Principles regarding Consolidation

(a) Subsidiaries

Subsidiaries are the companies controlled by the Group. The Group's control is ensured through exposure to variable returns in these companies and having power to be entitled to and to direct these returns. Subsidiaries are consolidated by the method of full consolidation from the date the control passes to the Group. They are excluded from the scope of consolidation as of the date the control is lost.

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

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

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

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

2. FİNANSAL TABLOLARIN SUNUMUNA İLİŞKİN ESASLAR

2.1 Basis of presentation (Continued)

Principles regarding Consolidation (Continued)

(c) Loss of control on subsidiary

In case the Group loses control on a subsidiary, after-sale profit/loss is calculated as the difference between (i) the sum of sales consideration 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 related to the subsidiary which were previously accounted for in other comprehensive income and accumulated under equity are recorded according to the accounting method to be used on the assumption that the Group has sold the relevant assets (For instance, reclassified to profit or loss or directly to previous years' profits according to the relevant TFRS). Following the sale of subsidiary, the fair value of the remaining investment at the date of loss of control is determined as the fair value at initial recognition within the scope of TFRS 9 Financial Instruments: Recognition and Measurement or, where applicable, as cost at initial recognition of an investment in an entity which is an associate or joint operation/venture.

2.2 Changes in accounting policies

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

2.3 Changes in accounting estimates and errors

Changes in accounting estimates, if related to a single period, are applied in the period of change, or, if related to future periods, are applied both in the period of change and in the future periods prospectively. There has been no significant accounting estimate change of the Group within the current period. Significant accounting errors identified are applied retrospectively and prior periods' financial statements are restated.

2.4 New and revised Turkish Accounting Standards

The Group has applied new standards and those changes and interpretations to existing standards applicable as of 31 March 2023 which are related to its scope of activity.

a. New standards and changes and interpretations to existing standards applicable as of 31 March 2023:

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

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

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

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

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

- **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.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

2. FİNANSAL TABLOLARIN SUNUMUNA İLİŞKİN ESASLAR (Continued)

2.4 New and revised Turkish Accounting Standards (Continued)

a. *New standards and changes and interpretations to existing standards applicable as of 31 March 2023:*

- **Amendment to TAS 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 recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **TFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

b. *Standards, amendments, and interpretations that are issued but not effective as of 31 March 2023:*

- **Amendment to TAS 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.
- **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.

2.5 Significant Accounting Judgments, Estimates and Assumptions

Useful lives intended in calculation of right of use assets

Lease liability is determined taking into consideration the extension and termination options in the agreements. Substantial part of the extension options in lease agreements comprise of those which can be exercised jointly by the Group and the lessor. On the other hand, early termination option is held by the Group. Accordingly, the Group assessed the lease terms and the said extension and early termination options and decided not to make any extension or reduction to the periods of lease agreements. Related agreement terms are being assessed by the Group management at the end of every year.

3. CASH AND CASH EQUIVALENTS

	31 March 2023	31 December 2022
Cash on hand	11.059.374	21.549.226
Time deposits (*)	334.550.017	477.814.527
Demand deposits	85.254.382	1.329.735
Credit card receivables	56.249.983	133.893.699
Cash and cash equivalents	487.113.756	634.587.187

(*) The majority of time deposits have overnight maturity. Average rate of interest received in 2023 is %25,6.

Maturity details of credit card receivables as of 31 March 2023 and 31 December 2022 are as follows;

	31 March 2023	31 December 2022
Within one month	49.569.835	93.414.288
Within two-three months	6.680.148	40.479.411
Total	56.249.983	133.893.699

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

4. BORROWINGS

	31 March 2023	31 December 2022
Financial lease liabilities		
Within one year	890.239	1.186.819
Deferred financial expenses	(63.028)	(107.542)
Present value of financial lease liabilities	827.211	1.079.277

Borrowings to be paid within 12 months 827.211 1.079.277

	31 March 2023	31 December 2022
Liabilities from lease transactions		
Within one year	134.493.850	107.701.597
Longer than one year	276.085.712	203.368.922
Present value of lease liability	410.579.562	311.070.519

	31 March 2023	31 December 2022
Lease liabilities due to related parties		
Within one year	5.145.900	300.757
Longer than one year	9.645.763	755.028
Present value of lease liabilities due to related parties	14.791.663	1.055.785

	31 March 2023	31 December 2022
Movement of financial lease liabilities		
Opening balance	1.079.277	2.037.609
Interest accrual	44.514	228.025
Payments	(296.580)	(1.186.357)
Closing balance	827.211	1.079.277

Discount rate ranges used for leases within the scope of TFRS 16 are as follows:

31 March 2023			
Currency	Discount rate range (%)	Short term (%)	Long term (%)
TL	12,21-53,49	12,21-33,90	16,38-53,49

31 December 2022			
Currency	Discount rate range (%)	Short term (%)	Long term (%)
TL	12,21-53,49	12,21-33,90	16,38-53,49

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4. BORROWINGS (Continued)

Financial leasing is related to machinery and equipment with a lease period of 4 years. The Group holds purchase option for these machinery and equipment with a lease period of 4 years. The financial lease liabilities of the Group are collateralized via ownership rights of the lessor on the leased asset.

As of the balance sheet date, net carrying value of the assets subject to financial lease amounts to 6,642,655 TL (31 December 2022: 14.871.815 TL).

At the date of the agreements, interest rates regarding financial lease transactions were fixed for the entire term of the lease. Average effective annual interest rate of the agreements is c.a. 13,90% (31 December 2022: %13,90).

The amount of liability from lease transactions is calculated based on the future lease payments within the scope of agreements for stores, warehouses and vehicles under control of the Group and right of use assets within the scope of TFRS 16.

5. TRADE RECEIVABLES AND PAYABLES

Short term trade receivables	31 March 2023	31 December 2022
Trade receivables	462.266.928	444.580.493
Due from related parties (Note 23)	35.701.714	25.460.057
Notes receivable	2.859.413	387.834
Provision for doubtful trade receivables (-)	(15.650.694)	(17.996.092)
Total short term trade receivables	485.177.362	452.432.292

As of 31 March 2023, average maturity for the sale of goods is 7,7 days (31 December 2022: 6,8 days).

Trade receivables are presented by discounting with effective interest rate methodology. Effective interest rate used in the calculation of the carrying value of trade receivables is 15% (31 December 2022: 11,19%).

Movement of doubtful trade receivables as of 31 March 2023 and 2022 is as follows:

Movement of provision for doubtful trade receivables	31 March 2023	31 March 2022
Opening balance	(17.996.092)	(18.339.393)
Period expense	(27.143)	(67.586)
Provision reversals	2.372.541	1.190.679
Closing balance	(15.650.694)	(17.216.300)

Short term trade payables	31 March 2023	31 December 2022
Trade payables	2.725.782.456	2.375.788.183
Trade payables due to related parties (Note 23)	613.240.436	452.124.888
Other payables due to related parties (Note 23)	1.884.129	-
Total short term trade payables	3.340.907.021	2.827.913.071

As of 31 March 2023, payment term related to trade goods purchases is, on average, 62,3 days depending on the sector and supplier (31 December 2022: 63,5 days).

Trade payables are presented on discounted basis with effective interest rate method. Effective interest rate used in calculation of the carrying value of trade payables is 15% (31 December 2022: %11,19).

Disclosure regarding the nature and level of risks inherent in trade receivables and payables are presented in the Note 24.

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6. OTHER RECEIVABLES AND PAYABLES

Other short term receivables	31 March 2023	31 December 2022
Receivables from the personnel	2.547.805	2.677.726
Non-trade receivables from third parties	25.677.479	-
	28.225.284	2.677.726

Other long term receivables	31 March 2023	31 December 2022
Deposits and guarantees given	12.916.255	12.602.882
	12.916.255	12.602.882

7. INVENTORIES

	31 March 2023	31 December 2022
Trade goods	2.243.915.208	1.724.650.737
Other inventories	12.646.838	4.228.295
Inventory impairment	(48.839.831)	(63.772.831)
	2.207.722.216	1.665.106.201

8. PREPAID EXPENSES AND DEFERRED INCOME**a) Prepaid expenses**

Short term prepaid expenses	31 March 2023	31 December 2022
Advances given for inventory orders	14.202.653	65.357.837
Prepaid rent expenses	6.134.780	10.735.443
Prepaid insurance expenses	17.614.501	6.738.123
Other prepaid expenses	610.190	4.215.125
	38.562.124	87.046.528

b) Deferred income

Short term deferred income	31 March 2023	31 December 2022
Advances received	22.103.919	59.949.037
Other deferred income	2.966.102	-
	25.070.021	59.949.037

Long term deferred income	31 March 2023	31 December 2022
Other deferred income	1.977.401	5.685.028
	1.977.401	5.685.028

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9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

a) Movement of property, plant and equipment in the period 1 January 2023 – 31 March 2023 is as follows:

	<u>Furniture and fixtures</u>	<u>Other tangible fixed assets and construction in progress</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>Cost</u>				
Opening balance as of 1 January 2023	349.445.236	132.056.108	347.343.991	828.845.335
Purchases	18.189.660	8.615.851	5.768.175	32.573.686
Disposals	(48.867)	(18.432)	-	(67.299)
Transfers (Tangible fixed assets)	455.911	(455.911)	-	-
Closing balance as of 31 March 2023	368.041.940	140.197.616	353.112.166	861.351.722
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2023	(163.452.919)	(23.523.384)	(110.871.364)	(297.847.667)
Period expense	(9.888.414)	(2.814.985)	(8.140.402)	(20.843.801)
Disposals	14.398	4.583	-	18.981
Closing balance as of 31 March 2023	(173.326.935)	(26.333.786)	(119.011.766)	(318.672.487)
Net book value as of 31 March 2023	194.715.005	113.863.830	234.100.400	542.679.235

As of 31 March 2023, depreciation and amortisation expense of property, plant and equipment and intangible assets amounting to 18.084.300 TL is charged to marketing expenses, whereas 6.412.458 TL is charged to general administrative expenses.

Within the period of 1 January 2023 and 31 March 2023, there are no purchases of property, plant and equipment through financial leasing.

There are no pledges or restrictions on the property, plant and equipment.

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9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (Continued)

a) Movement of property, plant and equipment in the period 1 January 2022 – 31 March 2022 is as follows:

	<u>Furniture and fixtures</u>	<u>Other tangible fixed assets and construction in progress</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>Cost</u>				
Opening balance as of 1 January 2022	248.068.942	68.564.456	223.156.078	539.789.476
Purchases	4.683.375	9.303.717	3.005.454	16.992.546
Transfers (Tangible fixed assets)	162.708	(3.934.742)	3.772.034	-
Closing balance as of 31 March 2022	252.915.025	73.933.431	229.933.566	556.782.022
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2022	(133.097.763)	(17.837.070)	(89.405.180)	(240.340.013)
Period expense	(6.051.473)	(1.619.311)	(5.289.843)	(12.960.627)
Closing balance as of 31 March 2022	(139.149.236)	(19.456.381)	(94.695.023)	(253.300.640)
Net book value as of 31 March 2022	113.765.789	54.477.050	135.238.543	303.481.382

As of 31 March 2022, depreciation and amortisation expense of property, plant and equipment and intangible assets amounting to 13.560.922 TL is charged to marketing expenses, whereas 2.837.367 TL is charged to general administrative expenses.

Within the period of 1 January 2022 and 31 March 2022, there are no purchases of property, plant and equipment through financial leasing.

There are no pledges or restrictions on the property, plant and equipment.

Estimated useful lives of property, plant and equipment are as follows:

	<u>Useful life</u>
Furniture & Fixtures	2- 50 years
Other tangible fixed assets	2- 7 years
Leasehold improvements	2- 20 years

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9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (Continued)

b) Movement of right of use assets in the period 1 January 2023 – 31 March 2023 is as follows:

	<u>Stores</u>	<u>Vehicles</u>	<u>Warehouses</u>	<u>Total</u>
<u>Cost</u>				
Opening balance as of 1 January 2023	391.571.930	39.381.124	21.714.727	452.667.781
Additions	114.099.347	3.244.947	19.307.573	136.651.867
Disposals	(10.630.149)	-	-	(10.630.149)
Closing balance as of 31 March 2023	495.041.128	42.626.071	41.022.300	578.689.499
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2023	(137.843.112)	(22.741.606)	(6.999.786)	(167.584.504)
Period expense	(18.646.295)	(5.756.316)	(612.631)	(25.015.242)
Disposals	10.630.149	-	-	10.630.149
Closing balance as of 31 March 2023	(145.859.258)	(28.497.922)	(7.612.417)	(181.969.597)
Net book value as of 31 March 2023	349.181.870	14.128.149	33.409.883	396.719.902

As of 31 March 2023, amortisation expense of right of use assets amounting to 23.513.039 TL is charged to marketing expenses, whereas, 1.502.203 TL is charged to general administrative expenses

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9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (Continued)

b) Movement of right of use assets in the period 1 January 2022 – 31 March 2022 is as follows:

	<u>Stores</u>	<u>Vehicles</u>	<u>Warehouses</u>	<u>Total</u>
<u>Cost</u>				
Opening balance as of 1 January 2022	267.885.911	30.937.079	9.292.826	308.115.816
Additions	37.964.299	-	-	37.964.299
Closing balance as of 31 March 2022	305.850.210	30.937.079	9.292.826	346.080.115
<u>Accumulated Depreciation</u>				
Opening balance as of 1 January 2022	(94.098.682)	(13.106.173)	(3.726.829)	(110.931.684)
Period expense	(10.583.067)	(2.572.562)	(762.062)	(13.917.691)
Closing balance as of 31 March 2022	(104.681.749)	(15.678.735)	(4.488.891)	(124.849.375)
Net book value as of 31 March 2022	201.168.461	15.258.344	4.803.935	221.230.740

As of 31 March 2022, amortisation expense of right of use assets amounting to 13.406.806 TL is charged to marketing expenses, whereas 510.885 TL is charged to general administrative expenses.

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10. INTANGIBLE ASSETS

Movement of intangible assets in the period 1 January 2023 – 31 March 2023 is as follows:

Cost	Franchising rights	Rights	Total
Opening balance as of 1 January 2023	26.724.490	52.751.282	79.475.772
Purchases	-	6.867.040	6.867.040
Closing balance as of 31 March 2023	26.724.490	59.618.322	86.342.812
Accumulated amortisation			
Opening balance as of 1 January 2023	-	(33.332.938)	(33.332.938)
Period expense	-	(3.652.957)	(3.652.957)
Closing balance as of 31 March 2023	-	(36.985.895)	(36.985.895)
Net book value as of 31 March 2023	26.724.490	22.632.427	49.356.917

Useful lives of franchising rights cannot be determined due to the fact that possible net cash flows to the Group and the period of use cannot be estimated reliably based on the analyses made. Therefore, these assets are not subject to amortisation, but annual impairment test is implemented.

Discounted cash flow method is employed in identification of impairment on franchising rights with indefinite life. In the discounted cash flow study, the related Group managements prepared 5-year business plans; 15% growth rate and discount rates of 30% for the year 2023, 30% for the year 2024, 30% for the year 2025, 30% for the year 2026 and 30% for the year 2027 are used in the valuation.

As a result of foregoing impairment tests, no impairment was identified on the amount of franchising rights as of 31 March 2023 (31 December 2022: None).

All of the amortisation expense are included in the general administrative expenses.

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10. INTANGIBLE ASSETS (Continued)

Movement of intangible assets in the period 1 January 2022 – 31 March 2022 is as follows:

<u>Cost</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
Purchases	-	643.552	643.552
Closing balance as of 31 March 2022	26.724.490	49.576.310	76.300.800
<u>Accumulated amortisation</u>			
Opening balance as of 1 January 2022	-	(16.756.813)	(16.756.813)
Period expense	-	(3.437.662)	(3.437.662)
Closing balance as of 31 March 2022	-	(20.194.475)	(20.194.475)
Net book value as of 31 March 2022	26.724.490	29.381.835	56.106.325

Intangible assets are subject to amortisation on the basis of useful life with the method of straight-line amortisation.

	<u>Useful life</u>
Rights	3- 5 year
Franchising rights	Indefinite

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS

Current provisions	31 March 2023	31 December 2022
Provision for lawsuits	39.565.724	35.652.055
Provision for sales activities (*)	14.674.132	15.263.803
Provision for risky stores (**)	2.812.822	2.812.822
Provision for unjustified invoices	6.631.721	4.924.871
Other provisions	7.675.637	6.891.091
	71.360.036	65.544.642

(*) Provision for sales activities comprises of monetary-point campaign incentives the Group organized in the current period for the purpose of supporting sales.

(**) Provision for risky stores comprises of those provisions the Group set aside for the possible risks that may arise due to decisions to close or move the stores.

Movement of provision for lawsuits in the period of 31 March 2023 and 2022 is as follows:

Movement of lawsuit provision	1 January- 31 March 2023	1 January- 31 March 2022
Opening balance	35.652.055	18.829.646
Period expense	3.913.669	2.987.989
Closing balance	39.565.724	21.817.635

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

a) Guarantees given

Collaterals, Pledges and Mortgages ('CPM's) Given by the Group	31 March 2023			31 December 2022		
	TL Equivalent	TL	US Dollars	TL Equivalent	TL	US Dollars
A. Total of CPMs given on its legal title	-	-	-	-	-	-
B. Total of CPMs given on behalf of subsidiaries included in the scope of consolidation	-	-	-	-	-	-
C. Total of CPMs given for the purpose of underwriting third parties' debts in order to sustain ordinary commercial operations	-	-	-	-	-	-
D. Total of other CPMs given						
i. Total of CPMs given on behalf of the parent (*)	278.787.364	75.212.429	10.028.324	263.062.994	75.212.429	10.028.324
ii. Total of CPMs given on behalf of other group companies not in the scope of paragraphs B and C	-	-	-	-	-	-
iii. Total of CPMs given on behalf of third parties not in the scope of paragraph C	-	-	-	-	-	-
Total CPM	278.787.364	75.212.429	10.028.324	263.062.994	75.212.429	10.028.324

(*) On 12 April 2018, Yıldız Holding A.Ş. combined substantial part of short term bank borrowings of itself and the group companies under the roof of Yıldız Holding A.Ş. through a syndication loan agreement signed with several Turkish banks. In this context, the Group's non-cash debts directly to the banks were transferred to the level of Yıldız Holding A.Ş. and have been followed as liabilities to Yıldız Holding A.Ş. as from 8 June 2018. The Group has no total cash borrowings within this framework, and the total of non-cash debts amounts to 10.028.324 USD + 75.212.429 TL. There were no increase in the total debt exposure of the Group due to the syndication loan; merely the non-cash debt risks were transferred to the level of Yıldız Holding A.Ş.. Also, as of the date of the borrowing utilization, the Group became guarantor to Yıldız Holding A.Ş. limited to the amount of non-cash debt transferred to Yıldız Holding A.Ş.. No pledge or collateralization were placed on the Group's assets (immovables, associate shares owned, etc.). Liabilities of guarantee will extinguish as a result of fulfillment of payments within the scope of guarantee amount throughout the term of the syndication loan, there are no restrictions or commitments in the agreement which may adversely affect the Group's operations. The amount of letters of guarantee which were transferred to the level of Yıldız Holding and granted to third parties on the bail of Yıldız Holding is 278.787.364 TL (31 December 2022: 263.062.994 TL).

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS (Continued)**b) Lawsuits Filed by and Against the Group**

Lawsuits filed against the Group:

	31 March 2023	31 December 2022
Enforcement lawsuits	19.043.155	19.234.000
Compensation lawsuits	20.522.569	16.418.055
	39.565.724	35.652.055

12. EMPLOYEE BENEFITS**Short term provisions**

	31 March 2023	31 December 2022
Performance premium and other social benefits	43.870.061	57.079.579
Provision for personnel benefits in-kind	2.085.921	-
Unused vacation liability	6.262.870	4.243.731
	52.218.853	61.323.310

Employee benefits

	31 March 2023	31 December 2022
Payables to personnel	76.361.772	24.937.922
Social security premiums payable	23.170.858	30.053.094
Taxes and funds payable related to personnel	12.438.399	13.377.147
	111.971.029	68.368.163

Long term provisions

	31 March 2023	31 December 2022
Provision for severance pay liability	92.907.686	94.268.473
Unused vacation liability	18.788.611	12.731.194
	111.696.297	106.999.667

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12. EMPLOYEE BENEFITS (Continued)

According to the Turkish Labor Law, the Group is obliged to make severance payment to each employee who retires after 25 years of working life upon completion of a service period of at least one year (aged 58 for women, 60 for men); whose employment agreement is terminated, is called for military service or passes away.

Severance payment to be made as of 31 March 2023 is subject to a monthly ceiling amount of 19.982,83 TL (31 December 2022: 15.371,40 TL).

Severance pay liability is not legally subject to any funding. The provision for severance payment 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 advanced using actuarial valuation methods within the scope of defined benefit plans. Accordingly, actuarial assumptions used in calculation of total liability are presented below:

The main assumption is that the maximum liability amount for every year of service will increase in parallel to inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. For this reason, provisions in the financial statements as of 31 March 2023 are calculated by estimating the present value of possible obligation to arise from the retirement of the employees. Provisions as of the related balance sheet dates have been calculated according to the assumptions of annual inflation rate of 17,64% and interest rate of 19,40% (31 December 2022: % 1,50). In calculation of the Group's provision for severance payment, the ceiling amount of 19.982,83 TL applicable as from 1 January 2023 has been taken into consideration. The average probability of retirement is taken as 85,17%.

Movement of severance pay liability is as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Provision as of 1 January	94.268.473	36.972.149
Service cost	3.021.314	8.290.681
Interest cost	4.420.481	325.424
Severance liability paid	(26.904.201)	(2.389.637)
Actuarial (gain)/loss	18.101.619	(3.217.024)
Provision for severance pay liability	92.907.686	39.981.593

Movement of unused vacation liability is as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Provision as of 1 January	16.974.925	7.024.895
Accrued within the period	9.532.901	5.074.743
Utilized within the period	(1.456.345)	(1.282.477)
Unused vacation liability	25.051.481	10.817.161

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12. EMPLOYEE BENEFITS (Continued)

Movement of provision for performance premium is as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Provision as of 1 January	57.079.579	25.945.932
Accrued within the period	45.092.536	19.796.029
Paid within the period	(58.302.054)	(15.362.589)
Provision for performance premium	43.870.061	30.379.372

13. OTHER ASSETS AND LIABILITIES

Other current liabilities	31 March 2023	31 December 2022
Taxes And funds payable	12.004.679	14.018.018
Other	2.472.616	-
	14.477.295	14.018.018

14. SHAREHOLDERS' EQUITY, RESERVES AND OTHER EQUITY ITEMS

The Company is subject to the registered capital system with a registered share capital ceiling of 200.000.000 TL.

Amounts of issued and paid-in capital as of 31 March 2023 and 31 December 2022 are as follows:

Shareholder title (*)	(%)	31 March 2023	(%)	31 December 2022
Yıldız Holding A.Ş.	55,19	33.111.291	55,19	33.111.291
Publicly offered	44,81	26.888.709	44,81	26.888.709
	100	60.000.000	100	60.000.000

(*) Presented in accordance with the data of Central Securities Depository of the Turkish capital markets and shareholding structure announced at Public Disclosure Platform ('KAP')

The Group's share capital comprises of the number of 60.000.000 shares with a nominal value of 1 TL per share (31 December 2022: 60.000.000).

Shares with a total nominal value of 16.000.000 TL consisting of the exercise of additional sales right and the Group's shareholders' shares with a total nominal value of 14.000.000 TL were publicly offered and registered by the Capital Markets Board with number 6/62 and date 21 January 2011 pursuant to the article 4 of the Capital Markets Law. The company shares have been trading in Istanbul Stock Exchange (Borsa Istanbul) since 3 February 2011.

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14. SHAREHOLDERS' EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)**Restricted profit reserves**

	31 March 2023	31 December 2022
Legal reserves	14.330.810	14.330.810
	14.330.810	14.330.810

Defined benefit plans actuarial gains and losses

	31 March 2023	31 December 2022
Opening balance	(25.600.417)	(21.566.572)
Actuarial gain/loss	(18.101.619)	(5.042.306)
Tax income/expense related to actuarial gain/loss	3.620.324	1.008.461
Closing balance	(40.081.712)	(25.600.417)

Details of the retained earnings are as follows:

	31 March 2023	31 December 2022
Extraordinary reserves	113.956.032	113.956.032
Retained earnings/(losses)	341.308.059	62.931.227
	455.264.091	176.887.259

Ordinary General Assembly decided not to distribute dividends.

15. REVENUE AND COST OF SALES**a) Sales**

	1 January- 31 March 2023	1 January- 31 March 2022
Domestic sales	4.759.110.532	2.388.042.996
<i>Tobacco</i>	627.543.549	408.337.365
<i>Non-tobacco</i>	4.131.566.983	1.979.705.631
Sales returns (-)	(48.032.117)	(11.134.925)
Sales discounts (-)	(214.809.427)	(28.821.565)
	4.496.268.989	2.348.086.506

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

	1 January- 31 March 2023	1 January- 31 March 2022
<i>Tobacco</i>	(610.697.562)	(386.720.995)
<i>Non-tobacco</i>	(3.261.301.247)	(1.599.236.047)
	(3.871.998.809)	(1.985.957.042)

16. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

	1 January- 31 March 2023	1 January- 31 March 2022
Marketing expenses (-)	(399.754.348)	(198.970.801)
General administrative expenses(-)	(76.672.450)	(47.254.256)
	(476.426.798)	(246.225.057)

17. EXPENSES BY NATURE

Details of the marketing expenses are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Personnel expenses	(209.908.704)	(106.063.558)
Depreciation expenses (Note 9 – 10)	(41.597.339)	(26.967.728)
Utility expenses (electricity, natural gas, water etc.)	(36.117.415)	(16.254.256)
Logistics expenses	(31.117.493)	(16.185.433)
Advertising expenses	(21.278.418)	(9.727.280)
Outsourced service expenses	(19.547.730)	(7.375.246)
Maintenance and repair expenses	(4.718.072)	(3.252.693)
Other marketing expenses	(35.469.177)	(13.144.607)
	(399.754.348)	(198.970.801)

Details of general&administrative expenses are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Personnel expenses	(29.804.757)	(15.212.870)
IT, office and stationery expenses	(20.452.833)	(19.665.223)
Consulting expenses	(13.100.293)	(5.985.080)
Depreciation and amortization expenses (Notes 9 – 10)	(7.914.661)	(3.348.252)
Outsourced service expenses	(2.600.165)	(1.164.947)
Travel expenses	(624.864)	(303.370)
Other general&administrative expenses	(2.174.878)	(1.574.514)
	(76.672.450)	(47.254.256)

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18. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Details of income from operating activities are as follows;

	1 January- 31 March 2023	1 January- 31 March 2022
Interest income related to credit sales	18.394.169	6.098.613
Accrual income related to trade receivables and payables	10.992.494	4.161.782
Reversal of provisions (Note 5)	2.372.541	1.190.679
Foreign exchange gains	442.422	314.331
Other income	1.412.732	2.543.082
	33.614.357	14.308.487

b) Details of expenses from operating activities are as follows;

	1 January- 31 March 2023	1 January- 31 March 2022
Interest expense related to credit purchases	(129.413.276)	(66.876.725)
Provision expense for lawsuits (Note 11)	(3.913.669)	(2.987.989)
Accrual expense related to trade receivables and payables	(2.538.278)	(996.158)
Foreign exchange losses	(1.265.925)	(1.712.897)
Provision expenses for doubtful receivables (Note 5)	(27.143)	(67.586)
Other expenses	(35.825.530)	(83.871)
	(172.983.822)	(72.725.226)

19. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

a) Details of income from investing activities are as follows;

	1 January- 31 March 2023	1 January- 31 March 2022
Interest income	28.580.633	14.810.818
Cash payment discount	-	503.150
Other income	736.130	4.296.877
	29.316.763	19.610.845

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19. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (Continued)

b) Details of expenses from investing activities are as follows;

	1 January- 31 March 2023	1 January- 31 March 2022
Losses from fixed asset sales	(14.274)	-
	(14.274)	-

20. FINANCIAL EXPENSES

	1 January- 31 March 2023	1 January- 31 March 2022
Interest expenses from banks	(41.755.709)	(23.717.419)
Financial expenses from lease transactions	(24.978.981)	(14.176.958)
Interest cost of severance pay indemnity (Note 12)	(4.420.481)	(325.424)
Letter of guarantee commissions	(1.502.085)	(268.843)
Financial lease interest expense	-	(30)
Other interest expenses	(2.852.488)	(105.082)
	(75.509.745)	(38.593.756)

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

The Group recognizes deferred tax assets and liabilities for temporary timing differences between financial statements prepared in accordance with the statutory accounts subject to tax and TAS. These differences generally result from the recognition of certain income and expense items in different periods on financial statements prepared for statutory tax purposes and TAS, these differences are presented below.

In Turkey, provisional tax is calculated and accrued on quarterly basis. At the stage of taxation of the corporate earnings for the 2023 accounting term as of the periods of provisional tax, provisional tax at the rate of 20% over corporate earnings is calculated (2022: 23%). Fiscal losses can be carried forward for a maximum period of 5 years to be deducted from taxable future profits. However, fiscal losses incurred cannot be deducted retrospectively from previous years' profits.

Deferred tax (asset)/liability

	31 March 2023	31 December 2022
Revaluation, depreciation and amortisation differences, of tangible and intangible fixed assets	(104.968.053)	(112.027.982)
Trade receivables and payables accruals, net	15.760.011	13.957.107
Performance premium and other social benefits	-	(2.000.000)
Unused vacation liability	(5.010.296)	(3.394.985)
Provision for doubtful receivables	(1.252.702)	(1.217.919)
Provision for lawsuits	(7.913.145)	(7.130.411)
Assets and liabilities from lease transactions	(8.304.906)	(7.218.518)
Severance pay liability	(18.581.537)	(18.853.695)
Expense accruals	(12.500.567)	(17.941.349)
Fiscal losses	(26.074.770)	-
Other	(12.439.149)	(14.663.409)
	(181.285.114)	(170.491.161)

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

Movement of deferred tax (asset)/liability:

<u>Movement of deferred tax (asset)/liability</u>	1 January- 31 March 2023	1 January- 31 March 2022
Opening balance at 1 January	(170.491.161)	(37.441.309)
Recognized in profit or loss statement	(7.173.629)	(15.691.733)
Recognized under equity	(3.620.324)	643.406
Closing balance	(181.285.114)	(52.489.636)

Corporate tax

The Group is subject to corporate tax applicable in Turkey. Required provisions are recognized in the financial statements for estimated tax liabilities of the Group regarding the results of current period operations.

Corporate tax rate to be accrued on taxable corporate earnings is calculated over the remaining tax base after adding up non-deductible expenses and deducting tax-exempt earnings, non-taxable income, and other deductions (if any, previous years' losses and, if preferred, investment incentives used).

In Turkey, there is no definitive and final reconciliation procedure regarding tax assessment. Companies draw up their tax returns between April 1st and 25th of the year next to the account closing period of the relevant year (for those with special accounting period, between 1st and 25th days of the fourth month next to the closing of the period).

These returns and accounting records that establish their basis can be audited and amended by the Tax Authority within 5 years.

Tax provisions as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Current period corporate tax provision	-	(19.576.110)
Corporate tax asset transferred from the year 2022	41.411.604	57.217.314
Current period tax asset	41.411.604	37.641.204

Tax expenses as of 31 March 2023 and 2022 are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Tax expense for the period	-	(29.150.300)
Deferred tax income /(expense)	7.173.630	15.691.733
Tax expense	7.173.630	(13.458.567)

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21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)**Reconciliation of tax provision:**

	1 January- 31 March 2023	1 January- 31 March 2022
Profit before tax for the period	(37.733.338)	38.504.757
Tax rate	%20	%23
Tax expense/(income) calculated	7.546.668	(8.856.094)
Effect of different tax rates applied	-	(5.162.577)
Legally non-deductible expenses and deductions/exemptions	(373.038)	560.104
Tax expense	7.173.630	(13.458.567)

22. EARNINGS PER SHARE

Profit/loss per share for the Group shares as of 31 March 2023 and 2022 is calculated as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Earnings per share		
Number of shares outstanding throughout the period	60.000.000	60.000.000
Net profit for the period	(30.559.708)	25.046.190
Earnings per share (TL)	(0,509)	0,417

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23. RELATED PARTY DISCLOSURES

a) Details of receivables from related parties are as follows:

	31 March 2023	31 December 2022
Trade receivables	35.701.714	25.460.057
	35.701.714	25.460.057

Details of trade receivables are as follows:

	31 March 2023 Trade	31 December 2022 Trade
Other related parties		
Future Teknoloji Ticaret A.Ş.	21.486.277	15.840.733
Aytaç Gıda Yatırım San. Tic. A.Ş.	3.415.877	6.510.264
Ülker Çikolata Sanayi A.Ş.	3.408.874	54.469
Ülker Bisküvi San. A.Ş.	1.286.236	23.931
KV2K Perakende Müşteri Hizmetleri A.Ş.	1.169.284	993.301
CCC Gıda San. ve Tic. A.Ş.	1.077.549	68.448
Reform Gıda Paz. San. Tic. A.Ş.	1.042.133	-
Donuk Fırın Ür. San. ve Tic. A.Ş.	706.625	1.640.388
Biskot Bisküvi Gıda San. Ve Tic. A.Ş.	687.569	154.874
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	686.322	38.751
Önem Gıda San. ve Tic. A.Ş.	545.993	77.122
Adapazarı Şeker Fabrikası A.Ş.	80.291	-
Makina Tarım Endüstrisi A.Ş.	42.505	7.680
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	36.718	5.052
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	15.684	-
UCZ Storescılık Tic. A.Ş.	4.771	-
Beta Marina Liman Yatırımları A.Ş.	4.112	12.434
İstanbul Gıda Dış Tic. A.Ş.	2.641	-
E Star Global E-Ticaret Satış ve Paz. A.Ş.	1.951	32.310
Northstar Innovation A.Ş.	302	300
	35.701.714	25.460.057

Trade receivables from the related parties generally result from sales transactions with an approximate maturity between 30 and 60 days. Non-trade receivables are loan-like funds granted to the Group companies which are subject to effective market interest rates on quarterly basis. The annual interest rate applied by the Group for the funds granted within 2023 is in the range of 19-28% for Turkish Lira (2022: Annual TL 19-28%).

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23. RELATED PARTY DISCLOSURES (Continued)

b) Details of payables to related parties are as follows:

	31 March 2023	31 December 2022
Trade payables	613.240.436	452.124.888
Non-trade payables	1.884.129	-
	615.124.565	452.124.888

Trade payables to the related parties generally result from purchase transactions with an approximate maturity between 30 and 60 days.

	31 March 2023 Trade	31 March 2023 Non-trade	31 December 2022 Trade
Parent company			
Yıldız Holding A.Ş.	4.880.485	1.884.129	6.401.557
Other related parties			
Horizon Hızlı Tüketim Ürün. Paz, Satış ve Dağıtım A.Ş.	364.123.167	-	232.107.557
Şok Marketler Ticaret A.Ş.	88.490.074	-	93.492.329
G2m Ekspert Satış Dağıtım Hizm. A.Ş.	48.136.030	-	18.821.554
Besler Gıda ve Kimya San. ve Tic. A.Ş.	30.596.067	-	-
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	22.603.190	-	16.400.804
Polinas Plastik San. Tic. A.Ş.	14.699.027	-	13.508.919
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	12.901.204	-	8.690.652
İzsal Gayrimenkul Geliştirme A.Ş.	12.392.027	-	25.439.328
Kerevitaş Gıda San. ve Tic. A.Ş.	10.286.417	-	28.783.477
Çayırovası İnşaat Taahhüt Tic. A.Ş.	2.412.757	-	2.358.847
Sağlam İnşaat Taahhüt Tic. A.Ş.	827.671	-	560.922
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	644.036	-	580.030
Marsa Yağ San. ve Tic. A.Ş.	180.364	-	409.643
Dank Gıda San. ve Tic. A.Ş.	51.983	-	52.120
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	14.941	-	408.587
Future Star E Ticaret A.Ş.	996	-	-
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	3.003.877
Kv2k Perakende Müşteri Hizmetleri A.Ş.	-	-	993.301
Pendik Marina Yat ve Çekek İşletmeciliği A.Ş.	-	-	64.419
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	-	46.106
Adapazarı Şeker Fabrikası A.Ş.	-	-	859
	613.240.436	1.884.129	452.124.888

Sales of the Group to the related parties comprise of turnover premium, service fee and the sales of miscellaneous goods.

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23. RELATED PARTY DISCLOSURES (Continued)

c) Details of purchase and sales transactions with related parties are as follows:

Transactions with related parties	1 January- 31 March 2023		1 January- 31 March 2022	
	Purchases	Sales	Purchases	Sales
<i>Parent company</i>				
Yıldız Holding A.Ş.	-	-	-	6.221
<i>Other related parties</i>				
Adapazarı Şeker Fabrikası A.Ş.	515.529	94.613	1.341.340	3.641
Aytaç Gıda Yatırım San. Tic. A.Ş.	6.871.418	3.231.318	1.345.660	56.234
Azmüsebat Çelik San. Tic. A.Ş.	-	35.918	-	8.607
Besler Gıda ve Kimya San. ve Tic. A.Ş.	40.971.493	-	23.349.517	135.682
Beta Marina Liman Yat ve Çekek İşletmesi A.Ş.	-	-	-	16.488
Biskot Bisküvi Gıda San. ve Tic. A.Ş.	28.775.280	525.834	12.301.562	160.144
CCC Gıda San. ve Tic. A.Ş.	-	1.123.263	-	123.519
Dank Gıda San. ve Tic. A.Ş.	-	418.095	-	6.891
Donuk Fırın. Ür. San. ve Tic. A.Ş.	-	1.064.868	58	771.294
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	714.236	-	99.194
E Star Global E Ticaret Satış ve Pazarlama A.Ş.	-	-	-	355.858
Future Teknoloji Ticaret A.Ş.	-	11.276.431	-	1.110.898
G2m Eksper Satış Dağıtım Hizm. A.Ş.	64.003.082	750.000	8.728.692	2.561.900
Horizon Hızlı Tüketim Ürün Paz. Satış ve Dağıtım A.Ş.	444.929.068	-	200.840.477	3.714.674
İstanbul Gıda Dış Tic. A.Ş.	-	13.830	-	-
Kerevitaş Gıda San. ve Tic. A.Ş.	23.901.573	-	4.855.664	90.024
KV2K Perakende Müşteri Hizmetleri A.Ş.	-	169.284	-	-
Makina Takım Endüstrisi A.Ş.	-	50.819	-	24.782
Marsa Yağ San. ve Tic. A.Ş.	-	27.339	849.568	46.631
Most Bilgi Sistemleri Tic. A.Ş.	-	-	-	1.269
Önem Gıda San. ve Tic. A.Ş.	-	462.927	-	20.295
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	-	-	16.376
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	27.601
Polinas Plastik San. Tic. A.Ş.	18.021.002	-	10.225.436	57.625
Reform Gıda Paz. San. Tic. A.Ş.	-	1.203.245	-	812.592
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	66.669
Şok Marketler Ticaret A.Ş.	132.746.000	-	52.956.821	4.874
UCZ Storescilik Tic. A.Ş.	-	4.417	-	-
Ülker Ailesi ve Yönetim Kurulu Üyeleri	-	-	-	4.629.311
Ülker Bisküvi San. A.Ş.	-	1.237.152	-	30.099
Ülker Çikolata Sanayi A.Ş.	-	3.439.328	-	25.112
Yelken Yönetim Danışmanlık ve Servis Hizmetleri A.Ş.	-	-	-	1.319
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	16.992.600	-	19.431.376	3.956
	777.727.045	25.842.917	336.226.171	14.989.780

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23. RELATED PARTY DISCLOSURES (Continued)

d) Details of interest, rent and similar balances paid to and received from related parties are as follows:

1 January- 31 March 2023	Interest income	Interest expense	Rent expense	Service expense	Other income	Other expenses
<i>Parent company</i>						
Yıldız Holding A.Ş.	27.244.302	(1.502.085)	-	(12.783.485)	-	-
<i>Other related parties</i>						
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	-	(13.983)	-	-	-
Çayirovası İnşaat Taahhüt Tic. A.Ş.	-	-	(1.026.110)	-	-	(399.598)
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	-	(361.998)
Duru G2M Gıda Tarım ve Tem. Ürün. Dağ. Paz. San. A.Ş.	-	-	-	-	30.000	-
G2m Ekspert Satış Dağıtım Hizm. A.Ş.	-	-	-	-	750.000	-
İzsal Gayrimenkul Geliştirme A.Ş. (*)	-	-	-	(28.963.060)	-	-
KV2K Perakende Müşteri Hizmetleri A.Ş.	-	-	-	-	169.284	-
Marsa Yağ San. ve Tic. A.Ş.	-	-	(145.330)	-	27.339	-
Pendik Turizm Marina Yat ve Çekek İşl. A.Ş.	-	-	(363.184)	-	-	-
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	-	(346.419)
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	(2.030.899)	-	-
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	(327.431)	-	-	-
	27.244.302	(1.502.085)	(1.876.038)	(43.777.444)	976.623	(1.108.015)

(*) Most Bilgi Sistemleri Tic. A.Ş. has merged with İzsal Gıda.

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23. RELATED PARTY DISCLOSURES (Continued)

d) Details of interest, rent and similar balances paid to and received from related parties are as follows:

1 January- 31 March 2022	Interest income	Interest expense	Rent expense	Service expense	Other income	Other expenses
<i>Parent company</i>						
Yıldız Holding A.Ş.	10.510.014	(861.735)	-	(6.624.950)	-	(325.279)
<i>Other related parties</i>						
Aytaç Gıda Yatırım San. Tic. A.Ş.	-	-	-	-	39.222	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	-	-	(6.450)	-	-	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	-	-	(476.975)	-	-	(167.066)
Dank Gıda San. ve Tic. A.Ş.	-	-	-	-	-	(21.131)
G2m Eksper Satış Dağıtım Hizm. A.Ş.	-	-	(6.352)	-	261.652	(2.136)
Horizon Hızlı Tüketim Ürünleri Paz. Sat. ve Dağ. A.Ş.	-	-	-	-	3.714.593	-
İzsal Gayrimenkul Geliştirme A.Ş.	-	-	(4.407)	-	-	(326.165)
Kerevitaş Gıda San. ve Tic. A.Ş.	-	-	-	-	41.625	-
Marsa Yağ San. ve Tic. A.Ş.	-	-	(56.228)	-	-	(34.671)
Most Bilgi Sistemleri Tic. A.Ş.	-	-	-	-	-	(18.368.899)
Pendik Marina Yat ve Çekek İşletmesi A.Ş.	-	-	(124.311)	-	-	(102.410)
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	-	-	-	-	-	(8.219)
Polinas Plastik San. Tic. A.Ş.	-	-	-	-	45.017	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	-	-	-	-	66.240	(679.668)
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	-	-	(171.587)	-	-	-
Şok Marketler Ticaret A.Ş.	-	-	(22.229)	-	-	-
	10.510.014	(861.735)	(868.539)	(6.624.950)	4.168.349	(20.035.644)

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

23. RELATED PARTY DISCLOSURES (Continued)

e) Benefits provided to the top management members and the members of the Management Board are as follows:

	1 January- 31 March 2023	1 January- 31 March 2022
Wages and other short term benefits	10.165.917	7.060.064
	10.165.917	7.060.064

24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

1) Foreign currency risk management

Transactions in foreign currency give rise to foreign currency risk.

The Group is exposed to foreign currency risk due to fluctuations in foreign exchange rates used in translation in Turkish Lira of foreign currency assets and liabilities. Foreign currency risk emerges from difference between recognized assets and liabilities and commercial transactions to materialize in the future. In this context, the Group manages this risk through a natural methodology of offsetting foreign currency assets and liabilities. The Management regularly analyses the Group's foreign currency position and ensure taking measures when necessary.

The Group is mainly exposed to US Dollar and Euro currency risk.

	31 March 2023			
	TL Equivalent (Functional currency)	US Dollars	Avro	GBP
1. Trade receivables	927.497	25.250	21.347	-
2a. Monetary financial assets	3.390.497	117.364	53.187	1.570
2b. Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. CURRENT ASSETS	4.317.994	142.614	74.534	1.570
5. Trade receivable	-	-	-	-
6a. Monetary financial assets	552.649	18.000	10.000	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	552.649	18.000	10.000	-
9. TOTAL ASSETS	4.870.643	160.614	84.534	1.570
10. Trade payables	6.393.434	148.729	170.457	-
11. Financial liabilities	-	-	-	-
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. CURRENT LIABILITIES	6.393.434	148.729	170.457	-
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	6.393.434	148.729	170.457	-
19. Net foreign currency asset liability position (9-18)	(1.522.792)	11.885	(85.923)	1.570
20. Monetary items net foreign currency asset liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(1.522.792)	11.885	(85.923)	1.570

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

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

1) Foreign currency risk management (Continued)

	31 December 2022			
	TL Equivalent (Functional currency)	US Dollars	Avro	GBP
1. Trade receivable	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 receivable	-	-	-	-
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 liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. CURRENT LIABILITIES	11.145.363	47.719	513.324	-
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	11.145.363	47.719	513.324	-
19. Net foreign currency asset liability position (9-18)	(8.709.383)	9.605	(446.671)	1.574
20. Monetary items net foreign currency asset liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(8.709.383)	9.605	(446.671)	1.574

Foreign currency risk sensitivity

The Group is mainly exposed to US Dollar and Euro currency risk. The table below presents the Group's sensitivity to 20% change in USD and EUR exchange rates. The rate of 20% used establishes a reasonable threshold for the Group because it is limited to the capital commitment limit of 20%. Sensitivity analyses regarding the foreign currency risk the Group is exposed to as of the reporting date are determined based on the change with respect to the beginning of the fiscal year and kept constant throughout entire reporting period.

	31 March 2023	
	(20%) appreciation of foreign currency	(20%) depreciation of foreign currency
1- US Dollars net asset/liability	36.779	(36.779)
2- The portion hedged against USD currency risk (-)	-	-
3- US Dollars net impact (1+2)	36.779	(36.779)
4- Other currency net asset/liability	(1.850.911)	1.850.911
5- The portion hedged against other currency risk (-)	-	-
6- Other foreign currency assets net impact (4+5)	(1.850.911)	1.850.911

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

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(All amounts expressed in Turkish Lira (TL))

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

1) Foreign currency risk management (Continued)

	31 December 2022	
	(20%) appreciation of foreign currency	(20%) depreciation of foreign currency
1- US Dollars net asset/liability	35.919	(35.919)
2- The portion hedged against USD currency risk(-)	-	-
3- US Dollars net impact (1+2)	35.919	(35.919)
4- Other currency net asset/liability	(1.776.959)	1.776.959
5- The portion hedged against other currency risk (-)	-	-
6- Other foreign currency assets net impact (4+5)	(1.776.959)	1.776.959

2) Interest rate risk management

Borrowings with fixed and floating interest rates expose the Group to interest rate risk. The risk in question is managed by the Group through appropriate distribution between fixed and floating rate borrowings via interest rate swap agreements. Risk hedging strategies are regularly assessed for their congruity with the defined risk and interest rate expectation. Thus, it is aimed to establish optimal risk hedging strategy, review of the balance sheet position and keep control of interest expenses under different interest rates.

31 March 2023	Financial assets carried at amortised cost	Financial liabilities carried at amortised cost	Carrying value	Note
<u>Financial assets</u>				
Cash and cash equivalents	487.113.756	-	487.113.756	3
Trade receivables	449.475.648	-	449.475.648	5
Receivables from related parties	35.701.714	-	35.701.714	23
Other assets	41.141.539	-	41.141.539	6
<u>Financial liabilities</u>				
Financial lease liabilities	-	827.211	827.211	4
Liabilities from lease transactions	-	425.371.225	425.371.225	4
Trade payables	-	2.725.782.456	2.725.782.456	5
Payables to related parties	-	613.240.436	613.240.436	23
Other financial liabilities	-	126.448.322	126.448.324	12,13

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

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

2) Interest rate risk management (Continued)

31 December 2022	Financial assets carried at amortised cost	Financial liabilities carried at amortised 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
Receivables from related parties	25.460.057	-	25.460.057	23
Other assets	15.280.608	-	15.280.608	6
<u>Financial liabilities</u>				
Financial lease liabilities	-	1.079.277	1.079.277	4
Liabilities from lease transactions	-	311.070.519	311.070.519	4
Trade payables	-	2.375.788.183	2.375.788.183	5
Payables to related parties	-	452.124.888	452.124.888	23
Other financial liabilities	-	82.386.181	82.386.181	12,13

Undiscounted gross repayment plans of lease liabilities as of 31 March 2023 and 2022 are as follows;

31 March 2023	Carrying value	Sum of cash flows per agreement	below 3 months	between 3-12 months	between 1-5 years	beyond 5 years
Liabilities from lease transactions	425.371.225	954.307.702	37.061.221	119.904.600	451.677.044	345.664.837
Total	425.371.225	954.307.702	37.061.221	119.904.600	451.677.044	345.664.837
31 December 2022	Carrying value	Sum of cash flows per agreement	below 3 months	between 3-12 months	between 1-5 years	beyond 5 years
Liabilities from lease transactions	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

3) Capital risk management

In capital management, the Group aims to increase its profit through, on one hand, striving for ensuring sustainability of its operations and, on the other hand, using debt to equity balance in the most efficient manner.

The Group's capital structure comprises of debts which include financial leases disclosed in the note 4, other liabilities to related parties disclosed in the note 23, cash and cash equivalents disclosed in the note 3 and equity components which include share capital and reserves disclosed in the note 14.

The top management, consistently with the other firms, reviews the capital by leverage ratio. This ratio is calculated by dividing net debt by the total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (equals the sum of short and long term debts excluding lease liabilities, other receivable/payable balance with Group companies and third party financial borrowings). Total capital is calculated by the sum of equity and net debt as presented in the consolidated statement of financial position.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023

(All amounts expressed in Turkish Lira (TL))

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

3) Capital risk management (Continued)

	31 March 2023	31 December 2022
Total financial and non-trade receivables from and payables to related parties (*)	2.711.340	1.079.277
Minus: cash and cash equivalents	(487.113.756)	(634.587.187)
Net debt	(484.402.416)	(633.507.910)
Total equity (*)	478.499.473	519.304.773
Total share capital	(5.902.943)	(114.203.137)
Net debt/equity ratio	-%	-%

(*) TFRS 16 impact is not included.

25. EVENTS AFTER REPORTING DATE

None.

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED OTHER COMPLEMENTARY INFORMATION
FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

APPENDIX-1 - OTHER COMPLEMENTARY INFORMATION

As a supporting information note which is not required by TFRS, the calculation table, which is deemed important by the Group Management in presentation of financial performance, for the Groups' earnings before Interest, Depreciation, Amortisation and Tax (EBITDA) and Earnings before Interest, Depreciation, Amortisation, Tax and Rent Expenses (EBITDAR) is presented below. The Group calculated the EBITDA amount by adding depreciation and amortisation expenses to the operating profit before other income and expenses from operations. EBITDAR amount is calculated by adding rent expenses to the EBITDA amount. EBITDA is not a performance measure defined in TFRS and may not be comparable to other entities. In addition, the calculation also includes pre-TFRS 16 figures for comparability purposes.

	<u>Current Period</u> 1 January- 31 March 2023	<u>Prior Period</u> 1 January- 31 March 2022
Net profit for the period (excluding TFRS 16)	(26.321.696)	27.346.121
Net profit for the period	(30.559.708)	25.046.190
Tax income/(expense), continuing operations(Excluding TFRS 16)	6.087.242	(13.305.412)
Tax income/(expense), continuing operations	7.173.630	(13.458.567)
Profit before tax from continuing operations (Excluding TFRS 16)	(32.408.938)	40.651.533
Profit before tax from continuing operations	(37.733.338)	38.504.757
Financial expenses(-) (Excluding TFRS 16)	(50.530.764)	(24.416.798)
Financial expenses(-)	(75.509.745)	(38.593.756)
Net income from investing activities	29.302.489	19.610.845
Depreciation expense (Excluding TFRS 16)	(24.496.758)	(16.398.289)
Depreciation expense	(33.682.678)	(30.315.980)
Net other expenses from operating activities	(139.369.465)	(58.416.739)
EBITDA (Excluding TFRS 16)	172.340.141	120.272.514
EBITDA	197.355.383	146.220.387
Warehouse, center and shop rent expenses (Excluding TFRS 16)	36.903.063	26.531.182
Warehouse, center and shop rent expenses	-	552.874
EBITDAR (Excluding TFRS 16)	209.243.204	146.803.696
EBITDAR	197.355.383	146.773.261

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED OTHER COMPLEMENTARY INFORMATION FOR THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

APPENDIX-1 - OTHER COMPLEMENTARY INFORMATION (Continued)

The Group's comparative financial statements excluding the impact of TFRS 16 'Leases' are presented below;

	<u>Current Period</u>	<u>Prior Period</u>
	31 March	31 December
Assets	2023	2022
Current assets	3.433.129.969	2.974.830.787
Cash and cash equivalents	487.113.756	634.587.187
Trade receivables	485.177.362	452.432.292
Other receivables	28.225.284	2.677.726
Inventories	2.207.722.216	1.665.106.201
Prepaid expenses	53.383.430	94.813.702
Current income tax assets	41.411.604	37.641.204
Other current assets	130.096.317	87.572.475
Non-current assets	777.932.615	755.354.199
Other receivables	12.916.255	12.602.882
Property, plant and equipment	542.679.235	530.997.668
Intangible assets	49.356.917	46.142.834
Prepaid expenses	-	2.338.172
Deferred tax asset	172.980.208	163.272.643
Total assets	4.211.062.584	3.730.184.986
	Current Period	Prior Period
Liabilities	31 March 2023	31 December 2022
Current liabilities	3.618.889.417	3.098.195.518
Short term borrowings	2.885.161	1.079.277
Trade payables	3.339.022.892	2.827.913.071
Other payables	1.884.129	-
Employee benefits	111.971.029	68.368.163
Deferred income	25.070.021	59.949.037
Short term provisions	123.578.889	126.867.952
Other current liabilities	14.477.293	14.018.018
Non-current liabilities	113.673.698	112.684.695
Long term provisions	111.696.297	106.999.667
Deferred income	1.977.401	5.685.028
Equity	478.499.473	519.304.773
Shareholders' equity		
Share capital	60.000.000	60.000.000
Treasury shares	(13.533.492)	(13.533.492)
Other accumulated comprehensive expenses not to be reclassified to profit or loss	(40.081.712)	(25.600.417)
Restricted profit reserves	14.330.810	14.330.810
Retained earnings	484.138.161	201.146.515
Net profit for the period	(26.321.696)	282.991.646
Non-controlling interests	(32.597)	(30.289)
Total liabilities	4.211.062.585	3.730.184.986

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED OTHER COMPLEMENTARY INFORMATION FOR
THE 3-MONTH INTERIM PERIOD ENDED 31 MARCH 2023**

(All amounts expressed in Turkish Lira (TL))

APPENDIX-1 - OTHER COMPLEMENTARY INFORMATION (Continued)

	Current Period	Prior Period
	1 January- 31 March 2023	1 January- 31 March 2022
Profit or loss		
Revenue	4.496.268.990	2.348.086.506
Cost of sales (-)	(3.871.998.809)	(1.985.957.042)
Gross profit	624.270.181	362.129.464
Marketing expenses (-)	(418.697.635)	(210.575.680)
General administrative expenses(-)	(77.383.744)	(47.679.559)
Other income from operating activities	33.614.357	19.385.410
Other expenses from operating activities (-)	(172.983.822)	(77.802.149)
Operating profit	(11.180.663)	45.457.486
Income from investing activities	29.316.763	19.610.845
Expenses from investing activities (-)	(14.274)	-
Operating profit before financial expenses	18.121.826	65.068.331
Financial expenses(-)	(50.530.764)	(24.416.798)
Profit before tax from continuing operations	(32.408.938)	40.651.533
Tax income/(expense), continuing operations	6.087.242	(13.305.412)
Tax expense for the period	-	(29.150.300)
Deferred tax income	6.087.242	15.844.888
Net profit for the period	(26.321.696)	27.346.121
Attributable to		
Non-controlling interests	(2.308)	(3.632)
Equity holders of the parent	(26.319.388)	27.349.753
Earnings per share (TL)	(0,439)	0,456
Other comprehensive expense		
Items not to be reclassified to profit or loss	(14.481.295)	2.573.618
Defined benefit plans actuarial (gains)/losses	(18.101.619)	3.217.024
Deferred tax expense/(income) related to other comprehensive Expense not to be reclassified to profit or loss	3.620.324	(643.406)
Total comprehensive income	(40.802.991)	29.919.739
Attributable to		
Non-controlling interests	(2.308)	(3.632)
Equity holders of the parent	(40.800.683)	29.923.371