MİGROS TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Migros Ticaret A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Migros Ticaret 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 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements (Note 1 -33) comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, 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 adopted within the framework of the regulations of the Capital Markets Board and 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 Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation 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. 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 the key audit matter was addressed in the audit
Revenue Recognition	
The Group operates in the retail market, had 3,621 stores as of 31 December 2024 and obtained revenue of 293.7 billion TRY in 2024. In addition to being the most important financial statement item for the retail industry, revenue is one of the most important criteria for performance measurement and evaluation of the results of strategies applied by management. "Recognition of revenue obtained from retail sales" was identified as a key audit matter since the transaction volume is high due to the number of stores and revenue is obtained from so many sales points. There is risk in the retail industry due to the amount of data processed by information technology systems. The relevant explanations, including accounting policies related to revenue recognition, are provided in Notes 2 and 16.	We performed the following auditing procedures in relation to the recognition of revenue in the financial statements: - We developed an understanding of sales processes and tested the design, implementation and operating effectiveness of key controls within the revenue recognition process. In this framework, cash obtained from retails sales passing through the cashier system throughout the year was verified using the relevant bank documents on a sample basis and reconciled with the turnover accounted for. - We evaluated the appropriateness of the Group's accounting policy for revenue recognition. - We performed analytical tests to analyse the change in sales. The annual inflation rate used in these reviews was obtained from independent sources and square meters were evaluated by checking maps of selected stores on a sample basis. Product-based and category-based sales and gross margins were compared to prior periods and their consistency was evaluated. - Since revenue is realized at a large number of sales points, the accuracy of amounts transferred to the cashier system at the end of each day was tested by comparing the end of day reports with the accounting records.

4. Other information

Management is responsible for the other information. The other information comprises the Appendix I added to "Other information" section in the report but does not include the consolidated financial statements and our auditor's report thereon. Our conclusion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our review 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 review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 actions taken to eliminate threats or safeguards applied.

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 2024 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 5 March 2025.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 5 March 2025

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

MİGROS TİCARET A.Ş.

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

MİGROS TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current assets:			
Cash and cash equivalents	4	22,524,342	17,837,809
Financial investments	5	21,524	667,760
Trade receivables	6	1,398,068	534,180
-Trade receivables from related parties	*25*	*63,087*	*2,454*
-Trade receivables from third parties	*6*	*1,334,981*	*531,726*
Other receivables		1,089,038	3,071,359
-Other receivables from third parties	*7*	*1,089,038*	*3,071,359*
Inventories	8	31,152,150	31,660,576
Prepaid expenses	9	1,297,241	813,586
Current income tax assets	23	153,811	-
Other current assets		57,824	99,394
Total current assets		**57,693,998**	**54,684,664**
Non-current assets:			
Financial investments	5	3,402,581	1,668,953
Other receivables		34,919	27,612
-Other receivables from third parties	*7*	*34,919*	*27,612*
Property, plant and equipment	10	32,323,282	29,301,055
Right of use assets	13	32,831,180	23,426,991
Intangible assets		22,132,945	21,328,032
-Goodwill	*12*	*20,068,001*	*19,770,657*
-Other intangible assets	*11*	*2,064,944*	*1,557,375*
Prepaid expenses	9	1,639,978	2,578,316
Total non-current assets		**92,364,885**	**78,330,959**
Total assets		**150,058,883**	**133,015,623**

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

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

MİGROS TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
Current liabilities:			
Short term borrowings		645,792	578,225
-Bank loans	*14*	*645,792*	*578,225*
Short term portion of long term borrowings		4,177,658	3,722,587
-Bank loans	*14*	*348,395*	*1,086,111*
-Lease liabilities	*13*	*3,829,263*	*2,636,476*
Trade payables		57,708,638	53,983,947
-Trade payables to related parties	*25*	*2,001,015*	*1,814,041*
-Trade payables to third parties	*6*	*55,707,623*	*52,169,906*
Payables related to employee benefits	16	2,329,551	2,368,101
Other payables		2,570,127	1,004,899
-Other payables to third parties	*7*	*2,570,127*	*1,004,899*
Deferred income	9	1,739,934	1,329,019
Current tax liabilities	23	-	170,067
Short term provisions		1,841,892	1,662,884
-Short term provisions for employee benefits	*16*	1,353,287	1,353,911
-Other short term provisions	*15*	488,605	308,973
Total non-current liabilities		**71,013,592**	**64,819,729**
Non-current liabilities:			
Long term borrowings		16,272,191	10,526,879
-Bank loans	*14*	214,184	1,250,921
-Lease liabilities	*13*	16,058,007	9,275,958
Other payables		26,055	64,129
-Other payables to third parties	*7*	*26,055*	*64,129*
Deferred income		211,650	541,739
Long term provisions		1,385,774	1,725,829
-Long term provisions for employee benefits	*16*	1,385,774	1,725,829
Deferrex tax liabilities	*23*	3,467,425	2,993,957
Total non-current liabilities		**21,363,095**	**15,852,533**
Total liabilities		**92,376,687**	**80,672,262**

MİGROS TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

EQUITY	**Notes**	**Audited 31 December 2024**	**Audited 31 December 2023**
Attributable to equity holders of parent		**57,309,280**	**52,011,551**
Share capital	24	181,054	181,054
Share capital adjustment differences	24	3,359,496	3,359,496
Treasury shares	24	(861,574)	(861,574)
Other comprehensive income/(expense) not to be classified to profit or loss		(499,615)	286,225
-Defined benefit plans re-measurement losses		*(2,872,906)*	*(2,371,460)*
-Revaluation fund of property, plant and equipment		*2,373,291*	*2,657,685*
Other accumulated comprehensive income to be classified to profit or loss		2,130,484	1,376,724
-Currency translation differences		-	442,433
-Gains on financial assets measured at fair value through other compherensive income		*2,130,484*	*934,291*
Dividend advances paid		(516,726)	-
Other reserves		1,730,523	1,432,056
Retained earnings		45,445,895	33,490,787
Net income for the year		6,339,743	12,746,783
Non-controlling interests		**372,916**	**331,810**
Total equity		**57,682,196**	**52,343,361**
Total liabilities and equity		**150,058,883**	**133,015,623**

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

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

MİGROS TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Revenue	17	293,779,664	262,132,403
Cost of sales (-)	17	(225,775,911)	(213,170,188)
Gross Profit		**68,003,753**	**48,962,215**
General administrative expenses (-)	18	(5,545,282)	(4,245,499)
Marketing expenses (-)	18	(56,640,106)	(49,113,567)
Other operating income	19	2,509,938	1,980,707
Other operating expenses (-)	19	(17,804,038)	(7,221,729)
Operating loss		**(9,475,735)**	**(9,637,873)**
Income from investment activities	20	625,677	543,697
Expenses from investment activities (-)	20	(356,097)	(35,335)
Operating loss before financial expense /(income)		**(9,206,155)**	**(9,129,511)**
Financial income	21	6,933,549	5,649,171
Financial expense (-)	22	(8,628,180)	(5,272,558)
Monetary gains		18,842,863	24,292,001
Net profit before tax from continuing operation		**7,942,077**	**15,539,103**
Tax expense from continuing operations		**(1,403,318)**	**(2,719,081)**
Income tax expense (-)	23	(583,381)	(997,899)
Deferred tax expense	23	(819,937)	(1,721,182)
Profit from continuing activities		**6,538,759**	**12,820,022**
Profit from discontinued operations		**35,232**	**37,498**
Net profit for the year		**6,573,991**	**12,857,520**
Net profit attributable to:			
- Non-controlling interests		234,248	110,737
- Equity holders of parent	26	6,339,743	12,746,783
Earnings per share ("TRY") from contiuning operations	26	36.11	70.81
Earnings per share ("TRY") from discounted operations	33	0.19	0.21

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

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

MİGROS TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Net profit for the year	**6,573,991**	**12,857,520**
Items that not to be reclassified to profit or loss	**(268,211)**	**782,194**
-Revaluation of fund of property, plant and equipment	642,533	1,620,366
-Defined benefit plans remeasurement losses	(910,744)	(838,172)
Tax effect of items not to be reclassified to profit or loss	**411,104**	**(54,132)**
-Tax effect of revaluation fund of property, plant and equiptment	1,806	(263,675)
-Tax effect of defined benefits plan remeasurement losses	409,298	209,543
Items to be reclassified to profit or loss	**818,395**	**(115,430)**
-Other comprehensive income on financial assets at fair value through other comprehensive income	1,260,828	(1,464)
-Currency translation differences	(442,433)	(113,966)
Tax effect of items to be reclassified to profit or loss	**(64,635)**	**439**
-Tax effect other comprehensive income on financial assets at fair value through other comprehensive income	(64,635)	439
Other comprehensive income, after tax	**896,653**	**613,071**
Total comprehensive income	**7,470,644**	**13,470,591**
Total comprehensive income attributable to	**7,470,644**	**13,470,591**
-Non-controlling interests	234,248	110,737
-Equity holders of parents	7,236,396	13,359,854

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

MİGROS TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

					Other comprehensive income and expenses not to be reclassified to profit or loss		Other comprehensive income and expenses to be reclassified to profit or loss			Retained earnings				
	Share capital	**Share Capital adjustment differences**	**Other reserves**	**Treasury shares**	**Defined benefit plans revaluation and measurement losses**	**Increase of revaluation fund of property plant and equipment**	**Gains on financial assets at fair value through other comprehensive income**	**Currency translation differences**	**Dividend advances paid**	**Retained earnings**	**Net profit for the year**	**Attributable to equity holders of the parents**	**Non controlling interests**	**Total equity**
Balances as of 1 January 2023	**181,054**	**3,359,496**	**2,390,375**	**(861,574)**	**(1,742,831)**	**1,461,863**	**935,316**	**556,399**	**-**	**20,133,959**	**13,195,959**	**39,610,016**	**104,825**	**39,714,841**
Transfers	-	-	-	-	-	(160,869)	-	-	-	13,356,828	(13,195,959)	-	-	-
Transaction with non-controlling Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	116,248	116,248
Dividend paid	-	-	(958,319)	-	-	-	-	-	-	-	-	(958,319)	-	(958,319)
Total comprehensive income	**-**	**-**	**-**	**-**	**(628,629)**	**1,356,691**	**(1,025)**	**(113,966)**	**-**	**-**	**12,746,783**	**13,359,854**	**110,737**	**13,470,591**
Net income for the year	-	-	-	-	-	-	-	-	-	-	12,746,783	12,746,783	110,737	12,857,520
Foreign currency translation differences	-	-	-	-	-	-	-	(113,966)	-	-	-	(113,966)	-	(113,966)
Revaluation and measurement losses/(gains)	-	-	-	-	(628,629)	-	(1,025)	-	-	-	-	(629,654)	-	(629,654)
Gain on revaluation and measurement property, plant and equipment	-	-	-	-	-	1,356,691	-	-	-	-	-	1,356,691	-	1,356,691
Balances as of 31 December 2023	**181,054**	**3,359,496**	**1,432,056**	**(861,574)**	**(2,371,460)**	**2,657,685**	**934,291**	**442,433**	**-**	**33,490,787**	**12,746,783**	**52,011,551**	**331,810**	**52,343,361**
Balances as of 1 January 2024	**181,054**	**3,359,496**	**1,432,056**	**(861,574)**	**(2,371,460)**	**2,657,685**	**934,291**	**442,433**	**-**	**33,490,787**	**12,746,783**	**52,011,551**	**331,810**	**52,343,361**
Transfers	-	-	361,495	-	-	(570,975)	-	-	-	12,956,263	(12,746,783)	-	-	-
Transaction with non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(193,142)	(193,142)
Acquisition /Disposal of a subsidiary	-	-	-	-	-	(357,758)	-	-	-	432,415	-	74,657	-	74,657
Dividend paid	-	-	(63,028)	-	-	-	-	-	(516,726)	(1,433,570)	-	(2,013,324)	-	(2,013,324)
Total comprehensive income	**-**	**-**	**-**	**-**	**(501,446)**	**644,339**	**1,196,193**	**(442,433)**	**-**	**-**	**6,339,743**	**7,236,396**	**234,248**	**7,470,644**
Net income for the year	-	-	-	-	-	-	-	-	-	-	6,339,743	6,339,743	234,248	6,573,991
Foreign currency translation differences	-	-	-	-	-	-	-	(442,433)	-	-	-	(442,433)	-	(442,433)
Gain on revaluation and measurement	-	-	-	-	(501,446)	-	1,196,193	-	-	-	-	694,747	-	694,747
Revaluation fund of property, plant and equipment	-	-	-	-	-	644,339	-	-	-	-	-	644,339	-	644,339
Balances as of 31 December 2024	**181,054**	**3,359,496**	**1,730,523**	**(861,574)**	**(2,872,906)**	**2,373,291**	**2,130,484**	**-**	**(516,726)**	**45,445,895**	**6,339,743**	**57,309,280**	**372,916**	**57,682,196**

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

MİGROS TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Cash flows from operating activities:			
Net profit for the year		**6,573,991**	**12,857,520**
Profit from continuing activities		6,538,759	12,820,022
Profit from discontinued operations		35,232	37,498
Adjustments related to reconciliation of net profit for the year		**29,432,697**	**19,635,214**
Adjustments for depreciation and amortisation expenses	18	9,977,506	8,933,801
Adjustments for impairment on receivables	6	36,609	12,232
Adjustments for inventory provisions	8	(137,472)	77,250
Adjustments for impairment on property, plant and equipment	20	356,097	35,335
Adjustments for provision for employee benefits	16	1,014,328	1,809,088
Adjustments for provision for litigation	15	247,235	126,411
Adjustments for other provisions	15	214,970	(644,973)
Adjustments for interest income	21	(6,296,716)	(3,562,159)
Adjustments for interest expense	22	8,344,061	4,924,583
Adjustments for deferred financing due to forward purchases expenses	19	17,035,401	6,824,703
Adjustments for unearned finance income from sales	19	(2,124,831)	(1,278,430)
Adjustments for unrealized foreign exchange losses	14	14,368	73,538
Adjustments for fair value losses arising from derivatives	21,22	(62,325)	23,076
Adjustments for income tax expense/(income)	23	1,403,318	2,719,081
Gain on sale of property plant and equipment	20	(187,595)	(528,341)
Adjustments for gains from sale of subsidiaries		(438,082)	-
Adjustments for monetary loss/(gain)		35,825	90,019
Changes in net working capital		**8,718,826**	**391,305**
Adjustments for increase in trade receivables		(811,801)	652,704
Adjustments for increase in inventories		645,898	(4,968,984)
Adjustments for increase in other receivables related with operations		2,527,395	(5,946,109)
Adjustments for increase in trade payables		4,253,186	5,417,295
Adjustments for increase in other payables related with operations		2,104,148	5,236,399
Cash flows from operating activities		**44,725,514**	**32,884,039**
Employee benefits paid	16	(1,166,149)	(2,719,295)
Interest received		2,107,608	1,314,301
Interest paid		(17,563,896)	(8,311,335)
Taxes paid		(893,380)	(429,593)
Other provisions paid		(165,777)	(551,374)
Net cash provided by operating activities		**27,043,920**	**22,186,743**

MİGROS TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Investing activities			
Cash outflows from the purchase of tangible and intangible assets	10,11	(9,903,941)	(9,252,075)
Cash inflows from the sale of tangible and intangible assets		1,111,390	1,896,867
Cash inflows from disposal of subsidiaries		797,117	-
Obtaining control of subsidiaries cash outflows for purchases		(1,016,551)	(295,183)
Cash flows from investing activities		**(9,011,985)**	**(7,650,391)**
Financing activities			
Proceeds from borrowings	14	2,605	1,874,516
Cash outflows from repayments of borrowings	14	(977,702)	(2,805,734)
Cash outflows from repayment of derivative instruments		62,325	(17,194)
Interest received	21	6,296,716	3,562,159
Interest paid		(5,346,885)	(3,033,151)
Dividends paid		(2,013,324)	(958,319)
Cash outflows from payments of rent agreements		(4,578,054)	(3,559,179)
Cash flows from financing activities		**(6,554,319)**	**(4,936,902)**
Monetary loss on cash and cash equivalents		(6,599,636)	(10,137,277)
Effect of foreign currency translation differences on cash and cash equivalents		**(191,447)**	**108,741**
Net increase/(decrease) in cash and cash equivalents		4,686,533	(429,086)
Cash and cash equivalents at the begining of the year	**4**	**17,837,809**	**18,266,895**
Cash and cash equivalents at the end of the year	**4**	**22,524,342**	**17,837,809**

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Migros Ticaret A.Ş., (collectively referred to as "Migros" or the "Company"), was established on 19 March 2008 and is registered in Istanbul, Turkey under the Turkish Commercial Code. (Migros Türk Ticaret Anonim Şirketi, which was established in 1954, merged with its parent company Moonlight Perakendecilik ve Ticaret Anonim Şirketi ("Moonlight Perakendecilik") on 30 April 2009 and the trade name of Moonlight Perakendecilik was changed as Migros Ticaret A.Ş.)

The Company and its subsidiaries together will be referred as "the Group".

The Company is controlled by AG Anadolu Grubu Holding A.Ş., its parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş., and AG Sınai Yatırım ve Yönetim A.Ş. is a management company that ultimately manages, with equal representation of and by way of equal management by the Süleyman Kamil Yazıcı family and the Özilhan family, the affiliates of AG Anadolu Grubu Holding A.Ş. AG Anadolu Grubu Holding A.Ş. holds a 50% indirect share.

The Group is mainly engaged in retail sales in food & beverages, consumer goods and wholesale. Other than that the Group is also engaged in online food retailing, takeout food, payment and e-money services, logistic (motorcycle courier) services, and shopping mall management.

As of 31 December 2024, the Group has a total sales area of 2,031,904 m2 (31 December 2023: 1,930,340 m2) with a retail store area of 2,009,331 m2 and a wholesale store area of 22,573 m2, 3,592 retail stores and 29 wholesale stores, operates in a total of 3,621 (31 December 2023: 3,363) stores. As of the end of the year as of 31 December 2024, the total number of employees of the Group is 53,328. (31 December 2023: 50,915). Retailing is the Group's core business, accounting for approximately 97% (31 December 2023: 97%) of gross sales.

The address of the registered office is as follows:

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

These consolidated financial statements have been approved for issue by the Board of Directors ("BOD") on 5 March 2025 and signed by General Manager, and Assistant General Manager (Financial Affairs), on behalf of the BoD. The owners of the Company and regulatories have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

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

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	31 December 2024 (%)	31 December 2023 (%)
Ramstore Kazakhstan LLC (*)	Kazakhstan	Kazakhstan	Shopping centre management	-	100.0
Mimeda Medya Platform A.Ş.	Turkey	Turkey	Media	100.0	100.0
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş.	Turkey	Turkey	Services limited by e-money legislation	80.0	80.0
Paket Lojistik ve Teknoloji A.Ş. (**)	Turkey	Turkey	Logistics	100.0	75.0
Dijital Platform Gıda Hizmetleri A.Ş.	Turkey	Turkey	Online food retaling	93.0	93.0
Migen Enerji ve Elektrikli Şarj Hizmetleri A.Ş. (***)	Turkey	Turkey	Charging service	100.0	100.0
CRC Danışmanlık ve Organizasyon A.Ş.	Turkey	Turkey	Packaged food production	50.0	50.0

(*) The Group sold its subsidiary Ramstore Kazakhstan LLC ("Ramstore Kazakhstan") for USD21,578 and EUR11,800 with the share transfer agreement dated 15 July 2024. Within the scope of the agreements entered into force, the collection of the aforementioned amounts has been completed as of 23 July 2024.

(**) On 21 February 2024, the Group acquired 18,3% of the paid-in capital of Paket Lojistik ve Teknoloji A.Ş. ("Paket Taxi"), which provides logistics services to its online operations, and on 25 December 2024, the Group acquired 6,7% of the paid-in capital from other shareholders and increased its ownership interest to 100%.

(***) It is not included in the scope of consolidation considering the concept of monetary materiality.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

Statement of Compliance with TFRS

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

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

2.1 Basis of Presentation (Continued)

In addition, the consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on 15 April 2019 by the POA, and "the Financial Statements Examples and Guidelines for Use", which is published by the Capital Markets Board of Turkey.

Migros and its subsidiaries, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira ("TRY") in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the CMB, Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts which is issued by the Ministry of Finance. The foreign subsidiaries keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

All financial information presented has been rounded to the nearest thousand TRY unless otherwise stated.

2.1.2 Changes in the accounting policies, estimates and errors

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

2.1.3 Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional currency of Migros Ticaret A.Ş. and the reporting currency of the Group. (Note 28)

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

<u>Going Concern</u>

The consolidated financial statements have been prepared assuming that the Company and consolidated subsidiaries will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

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

2.2 Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 31 December 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of 31 December 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Coefficient	Three year Compound Interest rate
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

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

2.2 Financial reporting in hyperinflationary economy (Continued)

- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

The outline of the TAS 29 indexing operations is as follows:

- All items other than those shown with current purchasing power as of the balance sheet date are indexed using the relevant price index coefficients. Amounts from previous years are also indexed in the same way.

- Monetary asset and liability items are not subject to indexation because they are expressed in purchasing power at the current balance sheet date. Monetary items are cash and items to be received or paid in cash.

Comparative information and restatement of prior period financial statements

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

2.3 Summary of significant accounting policies

Accounting policies applied by subsidiaries can be changed in order to convenience with the accounting policies applied by the Group, when necessary. The accounting policies applied to the preperation of consolidated financial statements are summarized is as follows:

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements of the Group include Migros, Mimeda, Moneypay, Dijital Platform, Paket Lojistik and CRC Danışmanlık. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

2.3 Summary of significant accounting policies (Continued)

Intra-group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a basis within other operating income or other operating expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Revenue

The Group records revenue when fullfills performance obligation while transferring committed service or good to their customer. An asset is transferred when (or as) the control of an asset is transferred to the customer.

The Group records revenue accordance with the following 5 main principles:

- Determination of customer contracts
- Determination of performance obligation on contracts
- Determination of transaction fee on contracts
- Allocation of transaction price to performance obligation in contracts
- Revenue recognation when each performance obligation is fullfilled

The specific accounting policies for the Group's main types of revenue are explained below:

Sales of goods – Retail

The Group operates in the retail sales of food and beverages, consumer and durable goods through its stores, shopping centers, Ramstores Banner abroad and internet sales. Sales of goods are recognised when the performance obligation is fulfilled. Retail sales are usually made against a cash or credit card payment.

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

2.3 Summary of significant accounting policies (Continued)

Within the scope of the Group customer loyalty program, customers who use loyalty cards earn points from their purchases. For these earned points, the probability of using them in the following periods is estimated and the relevant amount is recorded as sales discount.

Sales of Goods – Wholesale

Revenue from the sales of goods is recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Control transfer does not occur until the products were shipped to the specified location, the risks of obsolescence and loss were transferred to the wholesaler, the wholesaler accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has an objective evidence that all criteria for acceptance are satisfied.

Rent revenue

The Group recognises rent income on accrual basis based on the agreement.

Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined primarily on the basis of the weighted average cost method. For processed inventories, cost includes direct materials, direct labor and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Borrowing costs are not included in inventory cost. Revenues and discounts from suppliers, sales premiums and advertising participation fees are accounted on an accrual basis and booked against cost of inventories. Stock depreciation is recalculated on a product basis each month, the previous depreciation provision is cancelled and the current amount is reflected in the financial statements. An inventory difference provision for the period covering the latest inventory count date and the balance sheet date has been included into the inventory impairment item.

Property, plant and equipment

Revaluation Method

Property, plant and equipment except lands and buildings are carried at cost less accumulated depreciation and impairment if exists. With respect to TAS 16 "Property, Plant and Equipment", the Group has decided to choose revaluation model for lands and buildings by using the fair values determined in the valuation reports of Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. ("Nova Taşınmaz Değerleme") as of 31 December 2024. The first fair value application was adopted as of 31 December 2017.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

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

2.3 Summary of significant accounting policies (Continued)

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfers from the revaluation fund to retained earnings are made unless the asset is derecognised.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
When a property, plant and equipment is disposed of or no future economic benefits are expected from its use or sale, it is derecognised. The gain or loss resulting from the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is included in the profit or loss statement.

Cost method

Property, plant and equipment except lands and buildings are carried at cost less accumulated depreciation and impairment if exists.

Properties in the course of construction for production, administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Legal fees are also included in the cost.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The depreciation period for property, plant and equipment which approximate the economic useful lives of such assets, are as follows:

	Useful lives (Year)
Buildings	25-50
Leasehold improvements	Over period of lease (*)
Machinery and equipment	4-10
Furniture and fixtures	5-12
Motor vehicles	5-8

(*) Leasehold improvements include the expenses made for the leased properties and are depreciated over the useful life of the leased property where the useful life is longer than the lease term, and over the useful life if it is shorter.

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

2.3 Summary of significant accounting policies (Continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Expenses for repair and maintenance of property, plant and equipment are normally charged to the consolidated profit and loss statement. They are, however, capitalized and depreciated through the estimated useful life of the property, plant and equipment in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

Derecognition of property, plant and equipment

A property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets

Goodwill

Goodwill arises when purchasing subsidiaries and the amount of the transferred consideration, the amount of non-controlling interests in the acquiree and the fair value of the identifiable net assets in the acquiree, the excess of the fair value difference at the acquisition date of the equity interests in the acquiree previously held by the acquirer. If the total transferred consideration, recognized non-controlling interests and previously held interests measured at fair value are less than the fair value of the net assets of the acquired subsidiary, for example in a bargain purchase, the difference is recognized directly in the statement of profit or loss.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

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

2.3 Summary of significant accounting policies (Continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. The carrying amount of goodwill is compared with its recoverable value, which is the higher of its value in use and fair value less costs to sell. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement and is not reversed in subsequent periods

Brands

Brands that are acquired separately are accounted for at their acquisition cost, and brands that are acquired as a part of business combination are accounted for at their fair value in the consolidated financial statements. The Group assessed the useful life of brand as indefinite since there is no foreseeable limit to the period over which a brand is expected to generate net cash inflows for the Group. A brand is not subject to amortisation as it is considered to have an indefinite useful life. A brand is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount when the carrying amount of the brand exceeds its recoverable amount.

Rent agreements

Lease agreements are determined by the Group as identifiable intangible assets and consist of the lease agreements taken over from the stores it has purchased and the parts of the purchase price of the purchased stores exceeding the fair value of the purchased assets. Lease contracts are recorded at their fair values at the date of purchase, and amortised during the contract period.

Computer softwares (Rights)

Rights arising on computer software are recognised at its acquisition cost. Computer software is amortised on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is 5 years.

Internally-generated intangible assets and development expenditures

Maintenance and research costs of computer software are expensed as they occur. Development costs for designing and testing identifiable and unique computer software controlled by the Group are recognized as intangible assets if the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

2.3 Summary of significant accounting policies (Continued)

The cost of the software includes all of the costs directly attributable to the software (such as software development labor costs and the share of software overhead) required by management to create, produce, and prepare the software in order for it to function as intended. Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development-related expenses that were initially recognized as an expense cannot be recognized as an asset at a later date.

Computer software development expenses are capitalized and to be subject to depreciation over their estimated useful lives.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset. This difference is recognised in profit or loss when the asset is derecognised.

Non-current assets held for sale

Non-current assets or asset groups that meet the criteria of asset held for sale are measured at the lower of its carrying amount and fair value less cost to sell. When the fair value is less than the carrying cost, an impairment loss is recognized as an expense in the consolidated income statement for the period.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial investment

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

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

2.3 Summary of significant accounting policies (Continued)

Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the consolidated statement of financial position.

Impairment

The Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, the Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. The Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. The Group's financial instruments at fair value through profit or loss consist of forward contracts and interest rate swaps.

ii) Financial investment carried at fair value through other comprehensive income

Financial investment carried at fair value through other comprehensive income comprise of "financial investment" in the statement of financial position. The Group measures such assets at their fair values. The Group has chosen this method to prevent the change in value from causing fluctuations in the company's income statement. Gains or losses arising from the related financial investment are recognized in other comprehensive income except foreign exchange gain or loss and impairment loss. When the financial investment carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

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

2.3 Summary of significant accounting policies (Continued)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2.3 for further information about the group's accounting for trade receivables and impairment policies.

Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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

2.3 Summary of significant accounting policies (Continued)

Earnings per share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned. As disclosed in Note 26, the Group's earnings per share are calculated in accordance with "Earning Per Share" ("TAS 33").

Income as per share stated in the consolidated statement of profit or loss is calculated by dividing the net profit by the weighted average of the share certification available in the market during the whole year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

Events after the reporting period

Subsequent events are composed of any event between the balance sheet date and the publication date of the balance sheet, even if they arise after any announcements of profits or other financial data.

The Group restates its consolidated financial statements if such subsequent events arise (Note 33)

Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits in the notes.

Assets that result from previous events that cannot be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. Contingent assets are disclosed in the notes of the consolidated financial statements, if there is a high probability that resources with economic benefits will flow to the entity.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

2.3 Summary of significant accounting policies (Continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees,
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

2.3 Summary of significant accounting policies (Continued)

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

2.3 Summary of significant accounting policies (Continued)

The Group applies the derecognition and impairment requirements in TFRS 9 to the net lease investment. The Group regularly reviews the estimated uncommitted residual values used in the calculation of the gross lease investment and in case of a decrease in the estimated uncommitted residual value, the Group revises the distribution of income over the lease term and reflects the reductions in the accrued amounts directly to the financial statements.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

Related parties

Parties are considered related to the Group if;

a) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company,

b) the party is an associate of the Company,
c) the party is a joint venture in which the Company is a venture,
d) the party is member of the key management personnel of the Company or its parent,
e) the party is a close member of the family of any individual referred to in (a) or (d),
f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e),
g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The current income tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liability is calculated using the legalized or substantially legalized tax rate as of the date of the consolidated financial statements.

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

2.3 Summary of significant accounting policies (Continued)

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax rates which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax asset or liability of the assets and liabilities except for goodwill or business combinations are not calculated for temporary timing differences arising from the initial recognition and affecting both trading and financial profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Employee benefits/Employee termination benefits

The provision for employment termination benefits represents the present value of the estimated total provision for the future probable liabilities of the Group arising from the retirement of the personnel in accordance with the Turkish Labor Law and the laws applicable in the countries in which the subsidiaries operate. Pursuant to the laws governing working life in Turkey and the Turkish Labor Law, the Group is required to collectively pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, who voluntarily leaves the job, is dismissed, dies or retires and reaches the retirement age. Provision allocated by using defined benefit plans' current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise.

Cash flow statement

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from retail and wholesale activities and lease income.

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

2.3 Summary of significant accounting policies (Continued)

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months and which are subject to an insignificant risk of changes in value (Note 4).

Offsetting

A financial asset or liability can be offset and the net amount shown on the balance sheet only if the entity has a legal right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Dividend

The dividend distributed to the shareholders of the Company is reflected as a liability in the financial statements of the Group on the date it is approved by the shareholders of the Company. When entitled to receive dividends, it is recognized as income in the financial statements.

Paid in capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Deferred finance income/expenses

Deferred finance income/expenses represent imputed finance income and expenses on credit sales and purchases. Such income and expenses calculated by using the effective interest method are recognised as financial income or expenses over the period of credit sale and purchases, and included under other operating income and expenses.

2.4 Comparative information and restatement of prior period financial statements

The Group's consolidated financial statements have been prepared in comparison with the previous period in order to give accurate trend analysis regarding the financial position and performance. Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements and significant changes are explained. In case of changes and errors in accounting policies and accounting estimates, significant changes and significant accounting errors are applied retrospectively and the prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made for only one period, and if it is related to future periods, both in the period when the change is made and prospectively.

In the Group's comparative financial statements as of 31 December 2024, there are no changes or errors in accounting policies and accounting estimates, and no material changes in significant accounting estimates.

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

2.5 Critical accounting estimates and assumptions

The preparation of the consolidated financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment test

Impairment tests; It is done by comparing the present values of cash flows calculated within the framework of long-term plans for each cash-generating unit for goodwill, and the values found using the income method for brands, with the relevant carrying values.

As explained in related accounting policy, the Group performs impairment tests on goodwill annually as of 31 December 2024. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These value-in-use calculations include discounted after-tax cash flow projections, and these projections determined in TRY are based on five-year long-term plans approved by Migros Ticaret management. Estimated cash flows beyond the five-year period are calculated without considering any growth rate. In value-in-use calculations, the annual discount rate is 35.1% (2023: 33.5%). The discount rate used is the post-tax discount rate and includes risks specific to the Group (Note 12).

No impairment was identified as a result of the impairment tests performed as of 31 December 2024.

(b) Impairment on leasehold improvements

As explained in related accounting policy, property, plant and equipment are carried at the cost less accumulated depreciation and, if any, impairment. The Group evaluates its operational performance on a store-by-store basis and each store's continuity depends on the discounted net cash flow projections. Those cash flow projections are calculated, on a consistent basis to the Group's five year business plans and on a store-by-store basis by taking into consideration the remaining useful life of each store. In this context, the Group executes an impairment estimate on the leasehold improvements on stores where it is a lessee by considering the continuity of each store.

(c) Extension option in lease contracts

The lease obligation is determined by taking into account the extension options in the contracts. Most of the extension options included in the long-term lease contracts consist of applicable extension options by the Group. The Group reassesses the extension options in the lease term based on the medium-term business plans in the last year of the lease term and, if necessary, adds the extension right prospectively to the contract period. If the conditions change significantly, the assessment is reviewed by the Group.

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

2.5 Critical accounting estimates and assumptions (Continued)

(d) Explanations on fair value determination

As of the presentation of the consolidated financial statements as of 31 December 2024, the Group has excluded the cost model from the application methods in TAS 16 and chose the revaluation model for the presentation of land and buildings at their fair values. Revaluation studies of lands, building and investment properties have been performed by Nova Taşınmaz Değerleme, which is CMB accredited professional valuation Companies.

Lands and buldings in assets of the Group, which are located in Turkey, have been revaluated in 31 December 2024 by Nova Taşınmaz Değerleme, using "Sample comparison approach analysis", and "Income approach".

As a result of the fair value measurements made by the valuation experts, the positive difference amounting to TRY 783.667 and the negative difference amounting to TRY 659.414 and TRY 141.134, net off deferred tax and minority interests, respectively, are recognized in "Revaluation fund of property, plant and equipment" under shareholders' equity amounting to TRY 120.478 and the negative difference amounting to TRY 343.137, which cannot be covered by the revaluation fund, is recognized in expenses from investing activities.

2.6 New and Revised Turkish Financial Reporting Standards

Explanations regarding the effects of the new TAS/ TFRS on financial statements:

a) Standards, amendments, and interpretations applicable as of 31 December 2024:

- **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. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendment to TFRS 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 TFRS 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.

- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

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

2.6 New and Revised Turkish Financial Reporting Standards

- **TFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **TFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

- **Amendments to TFRS 17, 'Insurance Contracts';** Effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which permited a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts. On the other hand, the implementation date of TFRS 17 has been postponed to 1 January 2026, by POA.

- **Amendments to TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

    - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
    - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
    - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
    - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

2.6 New and Revised Turkish Financial Reporting Standards (Continued)

- **TFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **TFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with TFRS Accounting Standards.

2.7 Segment Reporting

For an operating segment to be identified as a reportable segment, its reported revenue, including sales to external customers and intercompany sales or transfers, must be 10 percent or more of the total revenue of all operating segments, internal and external, or its reported profit or loss must be 10 percent or more, or its assets must be 10 percent or more of the total assets of all operating segments. Operating segments that do not meet any of the above quantitative thresholds may also be considered reportable segments and disclosed separately if management believes that information about the segment would be useful to users of the financial statements. Based on those reasons, there is a single reportable segment in accordance with the provisions in TFRS 8 and segment reporting is not applicable.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 3 – BUSINESS COMBINATION

120.000 shares corresponding to 30% of the paid-in capital of CRC Danışmanlık ve Organizasyon A.Ş. were acquired by Migros Ticaret A.Ş. and 80.000 shares corresponding to 20% of the paid-in capital of CRC Danışmanlık ve Organizasyon A.Ş. were acquired by Dijital Platform on 26 December 2023. The final share transfer price for a total of 50% shares is TRY 128.156. TRY 76.893 of this amount was paid by Migros Ticaret A.Ş. and TRY 51.263 was paid by Dijital Platform. After the completion of the transfer transactions, the Group consolidated for the first time on financial statements as of 31 March 2024. The difference between the net assets acquired and the purchase price is accounted as goodwill.

	31 March 2024
Current assets:	
Cash and cash equivalents	149,366
Trade receivables	203,286
Other receivables	2,847
Inventory	21,216
Prepaid expenses	47,872
Other current assets	10,512
Total current assets	**435,099**
Non-current assets	
Other receivables	621
Property, plant and equipment	124,165
Intangible assets	7,892
Prepaid expenses	588
Total non-current assets	**133,266**
Trade payables	403,933
Payables related to employee benefits	29,053
Other payables	12,255
Deferred income	196
Total non-current liabilities	**445,437**
Fair value of total identifiable net assets	**122,928**
Net assets corresponding to the 50% share	61,464
Total purchase price	**128,156**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 3 – BUSINESS COMBINATION (Continued)

On 21 February 2024, 18,3% of the paid-in capital of Paket Lojistik ve Teknoloji A.Ş. ("Paket Taxi"), in which the Group owns 75% of the shares, was acquired from the other shareholders of Paket Taxi by Dijital Platform Gıda Hizmetleri A.Ş., our subsidiary providing services in online food retailing. As a result of this share transfer, Migros' direct and indirect shareholding rate in Paket Taxi increased to 92.1% after this transfer. Subsequently, on 25 December 2024, 6,7% of the shares were acquired and the shareholding increased to 100%. The difference between the net assets acquired and the purchase price is accounted as goodwill.

	31 March 2024	**31 December 2024**
Current assets:		
Cash and cash equivalents	72,174	65,700
Trade receivables	582,805	675,647
Other receivables	6,492	5,314
Inventory	19,374	14,412
Prepaid expenses	145,734	169,747
Other current assets	55,474	34,775
Total current assets	**882,053**	**965,595**
Non-current assets:		
Property, plant and equipment	385,478	327,252
Intangible assets	10,865	6,123
Prepaid expenses	732	17,098
Total non-current assets	**397,075**	**350,473**
Short term borrowings	299	231
Trade payables	550,130	519,998
Payables related to employee benefits	16,625	20,162
Other payables	24,091	19,250
Deferred income	52,188	30,216
Current tax liabilities	27,952	66,644
Total non-current liabilities	**671,285**	**656,501**
Fair value of total identifiable net assets	**607,843**	**659,567**
Net assets corresponding to the 50% share	111,235	44,191
Total purchase price	**200,490**	**185,588**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	344,381	541,586
Banks	17,407,089	12,583,479
- demand deposit (*)	1,280,346	2,276,746
- time deposit	16,126,743	10,306,733
Cheques in collection	4,537	567
Credit card receivables	4,768,335	4,712,177
	22,524,342	**17,837,809**

(*) The Group transfers the cash in its stores registers to the bank on a daily basis. In accordance with the bank agreements, transfered cash amounts have temporary blockages for a certain year of time and available for use at the end of this year. As of 31 December 2024, a cash amount of TRY579,283 in bank accounts is temporarily blocked due to the mentioned cash transfer. (2023: TRY427,626).

Weighted average effective interest rate on TRY denominated time deposits as of 31 December 2024 is 50.1% (2023: 43.9%).

Credit card slip receivables essentially have a maturity of less than one month.

The maturity analysis of time deposits at 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
1 - 30 days	16,126,743	10,306,733
Over 90 days (*)	-	52,102
	16,126,743	**10,358,835**

(*) Time deposits with a maturity of more than 90 days are recognized in the financial investments account (Note 5).

NOTE 5 - FINANCIAL INVESTMENTS

Financial assets

	31 December 2024	31 December 2023
Investment fund	21,524	13,522
Currency protected deposits	-	602,136
Time deposit (*)	-	52,102
	21,524	**667,760**

(*) Related amount indicating the bank deposits with over 90 days maturity recognised as cash fund by the Group.

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(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 5 - FINANCIAL INVESTMENTS (Continued)

Financial assets carried at fair value through other comprehensive income

	31 December 2024	31 December 2023
Long term financial investment carried at fair value through other comprehensive income	3,381,437	1,530,093
Subsidiaries	21,144	138,860
	3,402,581	**1,668,953**

	31 December 2024		31 December 2023	
	TL	**Share (%)**	**TL**	**Share (%)**
Colendi Holdings Limited	3,381,437	11.91	1,530,093	4.88
Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş.	21,144	100.00	10,704	100.00
CRC Danışmanlık ve Organizasyon A.Ş.	-	-	128,156	50.00
Total	**3,402,581**		**1,668,953**	

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade receivables:

	31 December 2024	31 December 2023
Receivables from tenants and wholesale activities	1,329,792	548,081
Doubtful trade receivables	201,190	236,054
Notes receivable	32,868	28,547
Due from related parties (Note 25)	63,087	2,454
Less: Provisions for doubtful receivables	(201,190)	(236,054)
Less: Finance income not accrued on term sales	(27,679)	(44,902)
	1,398,068	**534,180**

The maturity of trade receivables is generally less than one month, and they were discounted with the annual rate of 46.2% as of 31 December 2024 (2023: 42.9%).

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movement of provision for doubtful receivables is as follows:

	2024	**2023**
Beginning of the year, 1 January	**236,054**	**299,625**
Current year charge (Note 19)	36,609	12,232
Collections and provisions released	(7,702)	(11,572)
Currency translation differences	18,789	59,708
Monetary gain	(82,560)	(123,939)
End of the year, 31 December	**201,190**	**236,054**

Trade payables:	**31 December 2024**	**31 December 2023**
Sellers	57,015,403	52,916,770
Trade payables to related parties (Note 25)	2,001,015	1,814,041
Expense accruals	1,235,589	1,268,010
Finance cost not accrued on term purchases	(2,543,369)	(2,014,874)
	57,708,638	**53,983,947**

The maturity of trade payables is generally less than three months and they are discounted with annual rate of 46.2% as of 31 December 2024 (2023: 42.9%).

Explanations on the nature and level of risks in trade receivables and payables are included in Note 27.

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables

	31 December 2024	**31 December 2023**
Value added tax receivables ("VAT")	910,156	2,875,019
Receivables from personnel	174,280	145,885
Receivables from insurance companies	4,602	50,455
	1,089,038	**3,071,359**

Other long-term receivables

	31 December 2024	**31 December 2023**
Deposits and guarantees given	34,919	27,612
	34,919	**27,612**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other short-term payables

	31 December 2024	31 December 2023
Other taxes and funds payable	2,236,454	731,248
Value added tax payables ("VAT")	256,389	199,451
Other	77,284	74,200
	2,570,127	**1,004,899**

Other long-term payables

	31 December 2024	31 December 2023
Deposits and guarantees received	26,055	64,129
	26,055	**64,129**

NOTE 8 - INVENTORIES

	31 December 2024	31 December 2023
Finished goods and commodities	30,730,330	31,505,353
Work in progress	561,314	467,981
Raw materials	296,676	245,760
Other	84,566	99,690
Less: Provision for impairment on inventory	(520,736)	(658,208)
	31,152,150	**31,660,576**

Movement of impairment on inventory is as follows:

	2024	2023
Beginning of the year, 1 January	**658,208**	**580,958**
Charge for the year	520,736	844,925
Provisions released (-)	(658,208)	(767,675)
End of the year, 31 December	**520,736**	**658,208**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses

	31 December 2024	31 December 2023
Prepaid rent expenses	509,495	114,286
Prepaid insurance expenses	215,633	180,510
Advances given	166,610	117,168
Other prepaid expenses	405,503	401,622
	1,297,241	**813,586**

Long-term prepaid expenses

	31 December 2024	31 December 2023
Prepaid rent expenses	688,490	741,350
Advances given for property, plant and equipment	649,153	1,489,944
Other	302,335	347,022
	1,639,978	**2,578,316**

Short-term liabilities from customer contracts

	31 December 2024	31 December 2023
Customer cheques	1,214,523	803,087
Deferred income	511,383	431,842
Advances received	14,028	94,090
	1,739,934	**1,329,019**

Long-term deferred income

	31 December 2024	31 December 2023
Deferred income	211,650	541,739
	211,650	**541,739**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipments years ended at 31 December 2024 is as follows;

	1 January 2024	Additions	Consolidation for the first time	Disposals (-)	Revaluation (*)	Transfers	Currency translation differences	Sale of subsidiary	31 December 2024
Cost									
Land	2,754,455	3,817	-	(544,482)	301,728	1,959	(47,003)	(340,441)	2,130,033
Buildings	5,406,547	55,804	-	(315,844)	(2,796)	475,839	(60,556)	(923,685)	4,635,309
Leasehold improvements	16,114,635	865,158	1,257	-	(28,954)	1,134,154	-	-	18,086,250
Machinery and equipments	21,064,555	1,079,078	105,606	(734,550)	-	2,613,158	(6,187)	(29,509)	24,092,151
Motor vehicles	858,821	24,390	2,632	(41,523)	-	14,539	-	-	858,859
Furniture and fixtures	9,763,845	664,508	10,032	(154,212)	-	1,098,390	(1,614)	(9,239)	11,371,710
Construction in progress	1,378,784	6,056,592	24,280	(401)	-	(5,338,039)	(29,750)	-	2,091,466
	57,341,642	**8,749,347**	**143,807**	**(1,791,012)**	**269,978**	**-**	**(145,110)**	**(1,302,874)**	**63,265,778**
Accumulated depreciation									
Buildings	(414,323)	(120,218)	-	5,738	-	-	(100,304)	176,537	(452,570)
Leasehold improvements	(10,837,885)	(1,277,437)	(1,081)	-	15,994	-	-	-	(12,100,409)
Machinery and equipments	(11,006,239)	(1,711,787)	(45,321)	732,902	-	-	4,247	22,055	(12,004,143)
Motor vehicles	(237,644)	(128,141)	(2,871)	33,753	-	-	-	-	(334,903)
Furniture and fixture	(5,544,496)	(636,631)	(6,389)	127,557	-	-	1,345	8,143	(6,050,471)
	(28,040,587)	**(3,874,214)**	**(55,662)**	**899,950**	**15,994**	**-**	**(94,712)**	**206,735**	**(30,942,496)**
Net book value	**29,301,055**								**32,323,282**

(*) Impairment loss amounting to TRY12,960 consists of leasehold improvements of the stores closed in 2024 (Note:20).

As of 31 December 2024, the value of the Group's land, plot and buildings according to the cost model is TRY3,771,231.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement of property, plant and equipments year ended at 31 December 2023 is as follows;

	1 January 2023	Additions	Disposals(-)	Revaluation (*)	Transfers	Currency translation differences	31 December 2023
Cost							
Lands	3,139,676	98,338	(1,099,277)	600,952	23,928	(9,162)	2,754,455
Buildings	4,248,918	53,537	-	1,006,470	176,430	(78,808)	5,406,547
Leasehold improvements	14,298,482	1,360,831	(6,846)	(43,240)	531,325	(25,917)	16,114,635
Machinery and equipments	17,892,920	2,311,313	(638,740)	-	1,511,799	(12,737)	21,064,555
Motor vehicles	541,882	418,621	(101,682)	-	-	-	858,821
Furniture and fixtures	8,701,393	934,681	(287,945)	-	415,957	(241)	9,763,845
Construction in progress	973,945	3,098,671	-	-	(2,659,439)	(34,393)	1,378,784
	49,797,216	**8,275,992**	**(2,134,490)**	**1,564,182**	**-**	**(161,258)**	**57,341,642**
Accumulated depreciation							
Buildings	(330,908)	(123,515)	-	-	-	40,100	(414,323)
Leasehold improvements	(9,839,772)	(1,031,445)	-	20,847	-	12,485	(10,837,885)
Machinery and equipments	(10,138,340)	(1,376,665)	506,871	-	-	1,895	(11,006,239)
Motor vehicles	(144,121)	(128,424)	34,901	-	-	-	(237,644)
Furniture and fixture	(5,173,834)	(599,304)	228,348	-	-	294	(5,544,496)
	(25,626,975)	**(3,259,353)**	**770,120**	**20,847**	**-**	**54,774**	**(28,040,587)**
Net book value	**24,170,241**						**29,301,055**

(*) Impairment amounting to TRY22,393 consists of leasehold improvements of the stores closed in 2023 and fair value changes in lands and buildings (Note 20)

As of 31 December 2023, the value of the Group's land, plot and buildings according to the cost model is TRY3.555.220.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS

Movement of intangible assets for the periods ending 31 December 2024 and 2023 are as follows:

	1 January 2024	Additions	Consolidation for the first time	Disposals(-)	Currency translation differences	Sale of subsidiary	31 December 2024
Cost							
Trademark	10,892	-	-	-	-	-	10,892
Rent agreement	152,920	-	-	-	-	-	152,920
Rights	4,047,570	1,065,064	2,157	(32,733)	-	-	5,082,058
Other intangible assets	2,111,304	89,530	19	-	(34)	(11,486)	2,189,333
	6,322,686	**1,154,594**	**2,176**	**(32,733)**	**(34)**	**(11,486)**	**7,435,203**
Accumulated amortisation							
Rent agreement	(152,920)	-	-	-	-	-	(152,920)
Rights	(2,871,326)	(604,069)	(1,511)	-	-	-	(3,476,906)
Other intangible assets	(1,741,065)	(10,633)	(19)	-	(41)	11,325	(1,740,433)
	(4,765,311)	**(614,702)**	**(1,530)**	**-**	**(41)**	**11,325**	**(5,370,259)**
Net book value	**1,557,375**						**2,064,944**

	1 January 2023	Additions	Disposals(-)	Currency translation differences	31 December 2023
Cost					
Trademark	10,892	-	-	-	10,892
Rent agreement	152,920	-	-	-	152,920
Rights	3,107,150	940,420	-	-	4,047,570
Other intangible assets	2,087,296	35,663	(21,237)	9,582	2,111,304
	5,358,258	**976,083**	**(21,237)**	**9,582**	**6,322,686**
Accumulated amortisation					
Rent agreement	(148,278)	(4,642)	-	-	(152,920)
Rights	(2,357,455)	(513,871)	-	-	(2,871,326)
Other intangible assets	(1,746,824)	(6,158)	17,081	(5,164)	(1,741,065)
	(4,252,557)	**(524,671)**	**17,081**	**(5,164)**	**(4,765,311)**
Net book value	**1,105,701**				**1,557,375**

Amortisation expenses related to intangible assets have been accounted under marketing expenses.

NOT 12 - GOODWILL

	2024	2023
Beginning of the year, 1 January	19,770,657	19,770,657
Additions	297,344	-
Accumulated amortization and impairment	-	-
End of the year, 31 December	**20,068,001**	**19,770,657**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOT 12 – GOODWILL (Continued)

Impairment tests for goodwill:

Goodwill mainly arises from the acquisition of Migros, stores open on the acquisition date were designated as cash-generating units. The whole amount of goodwill is related to the acquisition of Migros, the Group management considers the synergy to be created by the important domestic market position as the main reason for the goodwill. Accordingly, the Group management allocated the above mentioned goodwill amount to Turkish domestic operations which is the main cash generating unit, considering its market share and importance of the total turnover of the domestic operations in the Group consolidation.

The recoverable value of the cash generating unit in question has been determined based on value in use calculations. Value in use is determined by discounting the expected future cash flows to be generated by cash-generating unit. These value-in-use calculations include the discounted after tax cash flow projections, which are based on TRY budgets approved by the Group management covering an five year period.

Subsequent projected cash flows over a five year period were calculated without regard to any growth rate, and the analysis predicted that the existing profitability structure would be preserved.

In the calculations made as of 31 December 2024, the future cash flows calculated with balance sheet date prices are discounted with an average of 35.1%. The discount rate used is the after-tax discount rate and includes risks specific to the Group. The fact that the after-tax discount rate used in the calculation of discounted cash flows is higher/lower by 1% (such as 35.1% or 34.1% instead of 36.1%) causes a decrease/increase of TRY3,042,046 (2023: TRY1,291,216) in the fair value calculations for which sales costs are deducted, as of 31 December 2024. Within the context of analysis performed by the Group Management, above mentioned changes in the key assumptions on which recoverable amount is based would not cause carrying amount to exceed its recoverable amount.

NOTE 13 - RIGHT OF USE ASSETS

For 31 December 2024 and 2023, movement on right of use assets is as follows:

Cost	**1 January 2024**	**Additions**	**Disposals**	**31 December 2024**
Buildings	41,047,168	16,388,627	(2,365,678)	55,070,117
	41,047,168	**16,388,627**	**(2,365,678)**	**55,070,117**
Accumulated Amortisation				
Buildings	(17,620,177)	(5,488,590)	869,830	(22,238,937)
	(17,620,177)	**(5,488,590)**	**869,830**	**(22,238,937)**
Net book value	**23,426,991**			**32,831,180**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - RIGHT OF USE ASSETS (Continued)

Cost	1 January 2023	Additions	Disposals	31 December 2023
Buildings	33,487,717	8,770,793	(1,211,342)	41,047,168
	33,487,717	**8,770,793**	**(1,211,342)**	**41,047,168**
Accumulated Amortisation				
Buildings	(12,773,106)	(5,168,806)	321,735	(17,620,177)
	(12,773,106)	**(5,168,806)**	**321,735**	**(17,620,177)**
Net book value	**20,714,611**			**23,426,991**

Amortisation expenses related to right of use asset have been accounted under marketing expenses.

Short-term lease liabilities

	31 December 2024	31 December 2023
Lease liabilities	3,829,263	2,636,476
	3,829,263	**2,636,476**

Long-term lease liabilities

	31 December 2024	31 December 2023
Lease liabilities	16,058,007	9,275,958
	16,058,007	**9,275,958**

Liabilities from long-term lease transactions as of 31 December 2024:

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
TRY	1,975,182	1,868,185	1,752,832	1,485,082	8,976,726	16,058,007
	1,975,182	**1,868,185**	**1,752,832**	**1,485,082**	**8,976,726**	**16,058,007**

Liabilities from long-term lease transactions as of 31 December 2023:

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
TRY	1,366,127	1,270,586	1,125,741	971,458	4,542,046	9,275,958
	1,366,127	**1,270,586**	**1,125,741**	**971,458**	**4,542,046**	**9,275,958**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - RIGHT OF USE ASSETS (Continued)

The Group's undiscounted lease payment receivables as of 31 December 2024 are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
TRY	612,405	184,315	148,690	115,111	42,858	45,146
	612,405	**184,315**	**148,690**	**115,111**	**42,858**	**45,146**

NOTE 14 - BORROWINGS

	31 December 2024		
	Effective interest rate (%)	**In original currency**	**Total TRY equivalent**
Short term borrowings			
Fixed interest rate - TRY	27.49	645,792	645,792
Total short term borrowings		**645,792**	**645,792**
Current portion of long term borrowings			
Floating interest rate - TRY	60.07	348,395	348,395
Total current portion of long term borrowings		**348,395**	**348,395**
Total short term borrowings		**994,187**	**994,187**
Long term borrowings			
Floating interest rate - TRY	60.07	214,184	214,184
Total long term borrowings		**214,184**	**214,184**
Total financial liabilities		**1,208,371**	**1,208,371**

The redemption schedule of borrowings with effective interest rate at 31 December 2024 is as follows:

	TRY Loan	**Total TRY equivalent**
1 January 2025 - 31 December 2025	994,187	994,187
1 January 2026 - 14 December 2026	214,184	214,184
	1,208,371	**1,208,371**

The fair value of borrowings at 31 December 2024 is TRY998,561.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 14 – BORROWINGS (Continued)

The redemption schedule of principal amounts of borrowings at 31 December 2024 is as follows:

	TRY Loan	**Total TRY equivalent**
1 January 2025 - 31 December 2025	822,919	822,919
1 January 2026 - 14 December 2026	235,408	235,408
	1,058,327	**1,058,327**

The redemption schedule of contractual cash outflows of borrowings at 31 December 2024 is as follows:

	TRY Loan	**Total TRY equivalent**
1 January 2025 - 31 December 2025	1,183,214	1,183,214
1 January 2026 - 14 December 2026	378,391	378,391
	1,561,605	**1,561,605**

The Group has the obligation to comply with the various credit commitments in the loan agreement in the interest of the said bank credits. The financial ratios calculated on the financial statements as of 31 December 2024 are in line with the provisions of the bank loan agreement.

The movement schedule of borrowings as of 31 December 2024 and 2023 is as follows;

	2024	**2023**
Beginning of the year, 1 January	**2,915,257**	**6,282,336**
Proceeds of borrowings	2,605	1,874,516
Payments (-)	(977,702)	(2,805,734)
Foreign exchange losses	14,368	73,538
Interest accrual	122,167	19,871
Disposal of subsidiary	(127,789)	-
Monetary gain	(740,535)	(2,529,270)
End of the year, 31 December	**1,208,371**	**2,915,257**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 14 - BORROWINGS (Continued)

	31 December 2023		
	Effective interest rate (%)	**In original currency**	**Total TRY equivalent**
Short term borrowings			
Fixed interest rate - TRY	23.45	578,225	578,225
Total short term borrowings			**578,225**
Current portion of long term borrowings			
Fixed interest rate – TRY	21.47	734,565	734,565
Floating interest rate - TRY	29.22	242,967	242,967
Kazakhstan loan - Tenge	13.97	1,156,638	108,579
Total current portion of long term borrowings			**1,086,111**
Total short term borrowings			**1,664,336**
Long term borrowings			
Fixed interest rate - TRY	28.70	719,939	719,939
Floating interest rate - TRY	29.22	511,772	511,772
Kazakhstan loan - Tenge	13.97	204,646	19,210
Total long term borrowings			**1,250,921**
Total financial liabilities			**2,915,257**

The redemption schedule of borrowings with effective interest rate at 31 December 2023 is as follows:

	Tenge loan TRY equivalent	**TRY Loan**	**Total TRY equivalent**
1 January 2024 - 31 December 2024	108,579	1,555,757	1,664,336
1 January 2025 - 31 December 2025	19,211	995,610	1,014,821
1 January 2026 - 14 December 2026	-	236,100	236,100
	127,790	**2,787,467**	**2,915,257**

The fair value of borrowings at 31 December 2023 is TRY2,747,400.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 14 - BORROWINGS (Continued)

The redemption schedule of principal amounts of bank borrowings at 31 December 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2024 - 31 December 2024	94,408	1,189,636	1,284,044
1 January 2025 - 31 December 2025	24,112	1,188,122	1,212,234
1 January 2026 - 14 December 2026	-	339,880	339,880
	118,520	**2,717,638**	**2,836,158**

The redemption schedule of contractual cash outflows of borrowings at 31 December 2023 is as follows:

	Tenge loan TRY equivalent	TRY Loan	Total TRY equivalent
1 January 2023 - 31 December 2024	106,289	1,713,649	1,819,938
1 January 2024 - 31 December 2025	25,825	1,456,015	1,481,840
1 January 2025 - 14 December 2026	-	406,151	406,151
	132,114	**3,575,815**	**3,707,929**

NOTE 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions

	31 December 2024	31 December 2023
Provision for litigation	309,659	209,060
Provision for invoice	165,885	93,947
Provision for customer loyalty programs	13,061	5,966
	488,605	**308,973**

There are various lawsuits filed against or in favour of the Group. Receivables, rent or labour disputes constitute the majority of these lawsuits. The Group management estimates the outcomes of these lawsuits and estimates their financial impact according to which the necessary provisions are accounted.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Movements in the provision for litigation during the year are as follows:

	2024	2023
Beginning of the year, 1 January	**209,060**	**361,124**
Increase during year	247,235	126,411
Payments (-)	(60,033)	(133,230)
Monetary gain	(86,603)	(145,245)
End of the year, 31 December	**309,659**	**209,060**

Collaterals, Pledges, Mortgages

31 December 2024:

	TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	3,334,256	3,323,553	282	20
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
Total collaterals, pledges and mortgages	**3,334,256**	**3,323,553**	**282**	**20**
Proportion of the other CPM's to equity (%)				

31 December 2023:

	TRY equivalent	TRY	USD	EUR
A. CPM given on behalf of the Company's legal personality	2,340,349	2,328,342	282	20
B. CPM given on behalf of fully consolidated subsidiaries	127,790	-	3,227	-
Total collaterals, pledges and mortgages	**2,468,139**	**2,328,342**	**3,509**	**20**

Contingent assets and liabilities

Guarantees given at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Letter of guarantees given	3,334,256	2,468,139
	3,334,256	**2,468,139**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees received at 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Guarantees obtained from customers	2,347,246	2,437,552
Mortgages obtained from customers	359,905	50,910
	2,707,151	**2,488,462**

NOTE 16 - EMPLOYEE BENEFITS

	31 December 2024	31 December 2023
Payables to personnel	1,547,688	1,284,034
Social security payables	781,863	1,084,067
	2,329,551	**2,368,101**

	31 December 2024	31 December 2023
Provision for employment termination benefits	1,385,774	1,725,829
Provision for unused vacation	1,353,287	1,353,911
	2,739,061	**3,079,740**

Movement of provision for unused vacation for the years ended in 31 December 2024 and 2023 is as follows:

	2024	2023
Beginning of the year, 1 January	**1,353,911**	**1,360,430**
Provision for the year	671,196	1,169,717
Used in year (-)	(247,809)	(622,264)
Monetary gain	(424,011)	(553,972)
End of the year, 31 December	**1,353,287**	**1,353,911**

Provision for employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who reaches the retirement age, whose employment is terminated without due cause, is enlisted for military service or passed away. The termination benefit to be paid is one-month wage per a service year up to the maximum employment termination benefit.

In the consolidated financial statements as of 31 December 2024 and 2023, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 - EMPLOYEE BENEFITS (Continued)

The following actuarial assumptions were used in the calculation of the total liability:

	2024	2023
Discount rate (%)	3.73	3.00
Turnover rate to estimate the probability of retirement (%)	69.6-91.7	69.6-91.7

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised once every six months, the maximum amount of TRY46,655.43 effective from 1 January 2025 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

The movement of the severance pay provision account for the years ended as of 31 December 2024 and 2023 is presented below:

	2024	2023
Beginning of the year, 1 January	**1,725,829**	**3,043,401**
Service cost	164,659	418,797
Interest cost	178,473	220,574
Actuarial loss	910,744	838,173
Payments (-)	(918,340)	(2,097,031)
Monetary gain	(675,591)	(698,085)
End of the year, 31 December	**1,385,774**	**1,725,829**

NOTE 17 - REVENUE

	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	296,108,545	265,570,172
Other sales	796,942	951,625
Gross sales	**296,905,487**	**266,521,797**
Discounts and returns (-)	(3,125,823)	(4,389,394)
Sales revenue, net	**293,779,664**	**262,132,403**
Cost of sales (-)	(225,775,911)	(213,170,188)
Gross profit	**68,003,753**	**48,962,215**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 17 – REVENUE (Continued)

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

	1 January - 31 December 2024	1 January - 31 December 2023
Retail sales revenue	286,887,079	256,549,068
Wholesale revenue	7,945,078	7,698,367
Rent income	1,276,388	1,322,737
	296,108,545	**265,570,172**

NOTE 18 - EXPENSES BY NATURE

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	30,849,814	25,127,054
Depreciation and amortisation expenses	9,977,506	8,933,801
Rent and common area expenses (*)	7,828,030	6,952,943
Energy expenses	3,059,437	3,857,874
Porterage and cleaning expenses	1,975,601	1,621,177
Advertising expenses	1,936,545	1,959,682
Information technology maintenance expenses	1,881,780	1,509,359
Repair and maintenance expenses	971,964	892,665
Security expenses	660,654	459,282
Taxes and other fee expenses	233,938	230,185
Communication expenses	190,000	129,410
Other	2,620,119	1,685,634
	62,185,388	**53,359,066**

(*) 6,130 million TRY of rent expenses in 2024 is related to variable leases, 814 million TRY is related to short-term leases, 294 million TRY is related to low value leases and 590 million TRY is related to common area expenses.

Marketing expenses	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	26,692,685	21,895,728
Depreciation and amortisation expenses	9,977,506	8,933,801
Rent and common area expenses	7,640,884	6,785,649
Energy expenses	3,033,852	3,830,778
Advertising expenses	1,936,494	1,958,351
Porterage and cleaning expenses	1,920,649	1,577,898
Information technology maintenance expenses	1,508,719	1,395,012
Repair and maintenance expenses	949,513	875,514
Security expenses	632,938	439,989
Taxes and other fee expenses	191,187	194,015
Communication expenses	168,034	104,948
Other	1,987,645	1,121,884
	56,640,106	**49,113,567**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - EXPENSES BY NATURE (Continued)

General administrative expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	4,157,129	3,231,326
Other	1,388,153	1,014,173
	5,545,282	**4,245,499**

Expenses by nature in cost of sales for the years 1 January - 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of goods sold	224,051,477	211,598,640
Cost of service rendered	1,724,434	1,571,548
	225,775,911	**213,170,188**

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

NOTE 19 - OTHER OPERATING INCOME AND EXPENSES

Other operating income

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income on term sales	2,124,831	1,278,430
Insurance claim income	75,593	-
Competition board restructuring income	-	352,162
Other	309,514	350,115
	2,509,938	**1,980,707**

Other operating expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense on term purchases (*)	17,035,401	6,824,703
Litigation provision	247,235	126,411
Bad debt provision expense	36,609	12,232
Other	484,793	258,383
	17,804,038	**7,221,729**

(*) Forward purchases are discounted to the assumed cash value with the relevant GDS interest rates separately for each month, and as a result, forward purchase interest expenses are calculated. Average interest rates 2024: 47.7% (2023: 19.3%)

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Subsidiary sales profit	438,082	-
Gain on sale of property, plant and equipment	187,595	528,341
Currency protected deposit income	-	15,356
	625,677	**543,697**

Expense from investing activities

	1 January - 31 December 2024	1 January - 31 December 2023
Impairment of property, plant, and equipment	343,137	12,942
Losses from leasehold improvements of closed stores	12,960	22,393
	356,097	**35,335**

NOTE 21 - FINANCIAL INCOME

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income on bank deposits	6,296,716	3,562,159
Foreign exchange gains	574,508	2,087,012
Financial income on derivatives	62,325	-
	6,933,549	**5,649,171**

NOTE 22 - FINANCIAL EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Credit card commision expenses	4,690,617	2,072,174
Interest expense on lease liabilities	2,875,009	1,954,724
Interest expense on bank borrowings	778,435	897,685
Interest expense on provision for employment termination benefits	178,473	220,574
Foreign exchange losses	29,742	38,536
Financial expense on derivatives	-	23,076
Other	75,904	65,789
	8,628,180	**5,272,558**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
Corporate and income taxes payable	471,608	751,982
Less: Prepaid current income taxes	(625,419)	(581,915)
Current tax assets /(liabilities)	**(153,811)**	**170,067**

	31 December 2024	31 December 2023
Deferred tax assets	2,306,753	1,577,169
Deferred tax liabilities	(5,774,178)	(4,571,126)
Deferred tax liabilities, net	**(3,467,425)**	**(2,993,957)**

General Information

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

In Turkey, corporate tax rate is 25% (2023: 25%).

The Group calculates its assets and liabilities related to deferred income by considering the temporary timing differences between taxable legal financial statements and financial statements prepared according to TFRS. As of 31 December 2024, the rate applied for the deferred tax assets and liabilities calculated according to the liability method for temporary differences occurring in future periods for Turkey and Kazakhstan are 25% and 20%, respectively (2023: 25% and 20%, respectively).

Tax Advantages Obtained Under the Investment Incentive System

Earnings from the Group's investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached. In this context, as of 31 December 2024, the Group has recognized deferred tax assets amounting to TRY29,029 (31 December 2023: TRY11,552) which will be utilized in the foreseeable future. As a result of the recognition of the tax advantage as of 31 December 2024, deferred tax income amounting to TRY17,477 has been recognized in the statement of profit or loss for the period 1 January- 31 December 2024.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

Within the scope of the incentive certificates summarized above, a reduced corporate tax advantage of TRY116,115 (31 December 2023: TRY11,817) has been used in the current period statutory tax provision.

R&D Incentives

The Group capitalizes R&D expenditures in its statutory books within the scope of Law No. 5746. In accordance with the provisions of the same law, the Group uses R&D discount exemption for the portion of the expenditures allowed by the law by calculating the R&D expenditures made by the Group within the framework of the relevant legislation.

As of 31 December 2024, the Group has used R&D discount exemption amounting to TRY145,236 (31 December 2023: TRY148,206) against statutory tax.

The details of taxation on income for the years ended 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Current year tax expense (-)	(583,381)	(997,899)
Deferred tax expense	(819,937)	(1,721,182)
Current year tax expense	**(1,403,318)**	**(2,719,081)**

	1 January - 31 December 2024	1 January - 31 December 2023
Profit before tax	7,942,076	15,539,103
Calculated tax income according to parent company tax rate (25%) (2023:25%)	(1,985,519)	(3,884,776
Expected tax expense of the Group	**(1,985,519)**	**(3,884,776)**
Effect of non-deductable expenses	(239,872)	(115,103)
Exemption for R&D and other discounts	165,207	169,329
Tax effect of other income exempt from tax	209,046	219,026
Effect of temporary differences which no deferred tax assets are recognised	(1,338,092)	(1,899,124)
Effective tax rate difference		
Revaluation effect of property, plant and equipment and intangible asset	1,870,630	2,642,074
Other differences	(84,718)	149,493
The Group's expense/(income)	**(1,403,318)**	**(2,719,081)**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

Deferred taxes

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 31 December 2024 and 2023 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Deferred tax assets:				
Inventories	4,264,812	2,023,535	1,066,203	505,884
Provision for employee termination benefits	2,335,020	1,708,562	583,755	429,102
Short term provisions	1,861,122	1,704,478	465,281	426,597
Finance income not accrued from future sales	27,679	44,902	6,920	11,225
Other	738,376	831,363	184,594	204,361
			2,306,753	**1,577,169**
Deferred tax liabilities:				
TFRS 16	(13,148,315)	(11,795,286)	(3,287,079)	(2,948,821)
Property, plant and equipment	(8,966,388)	(5,803,194)	(1,475,236)	(807,201)
Financial investment fair value change				
Finance expense not accrued from future sales	(2,543,369)	(2,014,874)	(635,842)	(503,718)
Fair value change of derivative financial instruments	(2,506,804)	(1,040,704)	(376,021)	(311,386)
			(5,774,178)	**(4,571,126)**
Total deferred tax assets, net			**(3,467,425)**	**(2,993,957)**

Movements of deferred tax assets and liabilities are as follows:

	2024	**2023**
Beginning of the year, 1 January	**(2,993,957)**	**(1,205,495)**
Deferred tax income from continuing operations	(819,937)	(1,721,182)
Recognized on other comprehensive income	346,469	(53,693)
- *Remeasurement losses from defined benefit plans*	*409,298*	*209,543*
- *Property plant and equipment revaluation increases*	*1,806*	*(263,675)*
- *Financial investment fair value difference*	*(64,635)*	*439*
Currency translation differences	-	(13,587)
End of the year, 31 December	**(3,467,425)**	**(2,993,957)**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 24 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Group applies the registered capital system granted to companies registered in the CMB and has set a ceiling for its registered capital representing registered shares with a nominal value of 1 Kr. The Group's registered capital and issued capital are as follows:

	31 December 2024	31 December 2023
Common shares 1 Kr par value		
- Registered capital ceiling	500,000	500,000
- Issued capital	181,054	181,054

As of 31 December 2024 and 2023, there are no privileged shares representing the capital.

The shareholders of the Company and their shareholdings stated at historical amounts at 31 December 2024 and 2023 are stated below:

	31 December 2024		31 December 2023	
	TRY	Share (%)	TRY	Share (%)
MH Perakendecilik ve Ticaret A.Ş.	89,046	49.18	89,046	49.18
Migros Ticaret A.Ş.	2,962	1.64	2,962	1.64
Other	89,046	49.18	89,046	49.18
Nominal paid capital	**181,054**	**100.00**	**181,054**	**100.00**
Share capital adjustment differences (*)	3,359,496		3,359,496	
Adjusted share capital	**3,540,550**		**3,540,550**	
Treasury shares	**(861,574)**		**(861,574)**	

(*) Share capital adjustment differences refer to the difference between the total amounts of cash and cash equivalent additions to capital adjusted in accordance with TFRS published by the POA and their pre-adjustment amounts. Capital adjustment differences have no use other than being added to capital.

As of 31 December 2024 breakdown of the equity in the financial statements prepared in accordance with the Tax Procedure Law are as follows.

	31 December 2024		
	PPI Indexed Legal Records	CPI Indexed Records	Amounts followed in Accumulated Profit/ Loss
Share capital adjustment differences	4,570,259	3,359,496	(1,210,763)
Other reserves	3,009,380	1,730,523	(1,278,857)

NOTE 24 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS(Continued)

Dividend Distribution

Publicly traded companies make dividend distributions in accordance with the Capital Markets Board Communiqué on Dividends No. II-19.1 enacted on 1 February 2014.

Partnerships distribute profits with a decision from the general board, within the framework of profit distribution policies determined by the general assemblies and in accordance with related legislation provisions. As per the related Communique, a minimum distribution rate was not set. Companies pay dividends as specified in their articles of association or profit distribution policies. Also, dividends may be paid in equal or unequal instalments and dividend advances may be distributed in cash based on the profit in the interim financial statements.

If legal reserves and dividends determined for shareholders in articles of association or dividend distribution policies are not allocated as per the TCC, no other legal reserve can be allocated or transferred until the following year, and no dividend is distributed to beneficial interest certificate holders, members of the board of directors, employees of the partnership or those other than shareholders. Also, no dividend is distributed to such parties unless the dividends determined for the shareholders are not paid in cash.

In the general board meeting of 16 April 2024, the general board decision was made to pay non-resident shareholders who earn dividends via a workplace in Turkey or a permanent establishment a TRY6.9040087 gross=net cash dividend of 690.40087% for shares with a nominal worth of TRY1.00, to pay other shareholders a TRY6.9040087 gross cash dividend of 690.40087% for shares with a nominal worth of TRY1.00, a TRY6.2136078 net cash dividend of 621.36078% out of other resources planned to be allocated. It was decided that this total payment of TRY1,520 million (TRY1,496 million excluding repurchased shares) shall be made in on 1 June 2024.

Dividend Advance

In accordance with the decision taken at the Board of Directors meeting held on 5 November 2024, the Group decided to distribute a gross amount of 525,346 TL from the net profit for the period based on the interim financial statements dated 30 September 2024 as advance dividends and to make the payments on 13 November 2024.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 – RELATED PARTY DISCLOSURES

a) Balances with related parties

As of 31 December 2024 and 2023, due from and due to related parties are as follows:

Trade receivables from related parties	31 December 2024	31 December 2023
Coca Cola İçecek A,Ş. (1)	37,945	-
Colendi Yapay Zeka ve Büyük Veri Teknolojileri Hizmet A,Ş. (1)	20,284	-
Anadolu Efes Spor Kulübü(1)	1,968	-
Türkiye'nin Otomobili Girisim Grubu San Tic A,Ş. (1)	534	-
Anadolu Sağlık Merkezi İktisadi İşletmesi (ASM) (1)	164	941
Anadolu Etap Penkon Gıda ve İçecek Ürünleri San, ve Tic, A,Ş. (1)	160	208
Other	2,032	1,305
	63,087	**2,454**

Trade payables to related parties	31 December 2024	31 December 2023
Efes Pazarlama ve Dağıtım Ticaret A,Ş. (1)	1,147,286	929,574
Coca Cola Satış ve Dağıtım A,Ş. (1)	771,572	710,672
Adel Kalemcilik Ticaret ve San, A,Ş. (1)	29,873	65,850
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San, ve Tic, A,Ş. (1)	23,220	52,410
AG Anadolu Grubu Holding A,Ş. (1)	21,102	35,044
AEH Sigorta Acenteliği A,Ş. (1)	86	2,325
Other	7,876	18,166
	2,001,015	**1,814,041**

b) Transactions with related parties

Significant transactions regarding purchases and sales with related parties for the years ending on 31 December 2024 and 2023 are as follows:

Inventory purchases

	1 January - 31 December 2024	1 January - 31 December 2023
Coca Cola Satış ve Dağıtım A,Ş. (1)	4,805,565	4,610,046
Efes Pazarlama ve Dağıtım Ticaret A,Ş. (1)	4,340,185	3,951,671
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San, ve Tic, A,Ş. (1)	239,526	184,893
Adel Kalemcilik Ticaret ve San, A,Ş. (1)	139,526	175,455
	9,524,802	**8,922,065**

(1) AG Anadolu Grubu Holding group companies

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 – RELATED PARTY DISCLOSURES (Continued)

b) Transactions with related parties (Continued)

Rent expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Kamil Yazıcı Yönetim ve Danışmanlık A.Ş.	16,973	15,530
Garenta Ulaşım Çözümleri A.Ş.	14,028	19,236
	31,001	**34,766**

Key management compensation

The Group has determined key management personnel as chairman, members of Board of Directors, general manager, and vice general managers.

Total compensation provided to key management personnel by Group for the years ended 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Short term benefits	592,166	510,814
	592,166	**510,814**

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

NOTE 26 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the related period.

	1 January - 31 December 2024	1 January - 31 December 2023
Net profit attributable to shareholders	6,339,743	12,746,783
Weighted average number of shares with Kr1 face value each('000)	18,105,233	18,105,233
Earnings per share	**35.02**	**70.40**

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

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential adverse effects on the financial performance of the Group.

Individual subsidiaries manage their risk under policies approved by their Boards of Directors.

The Group management evaluates its interest-bearing assets in short-term investment instruments within the framework of the principle of managing with natural measures by balancing the maturities of its assets and liabilities sensitive to interest rates.

If interest rates for floating rate financial borrowings denominated in all currencies at 31 December 2024 had been higher/lower by 500 bps with all other variables held constant, profit before tax for the period would have been lower/higher by TRY9.658 as a result of higher/lower interest income/expense on floating rate borrowings (31 December 2023: TRY8.247 would have been higher/lower).

Interest rate risk

The Group management invests its interest bearing assets on short-term investments with the principle of balancing the maturity of the assets and liabilities that are sensitive to the interest rate changes.

The interest position table of the Group as of 31 December 2024 and 2023 is as follows:

Financial instruments with fixed interest rate	**31 December 2024**	**31 December 2023**
Time deposits	16,126,743	10,960,971
Financial liabilities	645,792	2,160,518
Lease liabilities	19,887,270	11,912,434

Financial instruments with floating interest rate	**31 December 2024**	**31 December 2023**
Financial liabilities	562,579	754,739

Non derivative financial liabilities:

2024	**Net book value**	**Contractual cash outflows**	**Less than 3 months**	**3months-12 months**	**1 years-5 years**
Financial payables	1,208,371	1,561,605	372,154	811,060	378,391
Trade payables	57,708,638	58,856,462	44,151,730	14,704,732	-
Other payables	4,925,733	4,925,733	4,566,005	333,673	26,055
	63,842,742	**65,343,800**	**49,089,889**	**15,849,465**	**404,446**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Non derivative financial liabilities:

2023	**Net book value**	**Contractual cash outflows**	**Less than 3 months**	**3 months-12 months**	**1 years-5 years**
Financial payables	2,915,257	3,705,896	842,684	975,220	1,887,992
Trade payables	53,983,947	55,678,234	43,990,692	11,687,542	-
Other payables	3,437,129	3,437,129	2,368,101	1,004,899	64,129
	60,336,333	**62,821,259**	**47,201,477**	**13,667,661**	**1,952,121**

Credit risk

The Group is exposed to credit risk due to its sales other than retail sales. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer base.

As of 31 December 2024 and 2023, the details of credit and receivables risk are as follows. In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

	Trade Receivables			
2024	**Third party**	**Related party**	**Other receivables**	**Deposits in bank**
Maximum risk exposed credit risk as of reporting date (A+B+C+D)	1,334,981	63,087	1,123,957	17,407,089
-Secured portion of maximum credit risk bu guarantees etc.	103,987	-	-	-
A. Net book value of financial assets either are not due or not impaired	1,309,173	63,087	1,123,957	17,407,089
Secured portion bu guarantees etc.	101,944	-	-	-
B. Net book value of the expired or not impaired financial assets	-	-	-	-
- Secured portion bu guarantees etc.	-	-	-	-
C. Net bok value of assets that are overdue but not impaired	25,808	-	-	-
Secured portion bu guarantees etc.	2,043	-	-	-
D. Net book value of assets that are impaired overdue (gross book value)	201,190	-	-	-
impairment (-)	(201,190)	-	-	-
Secured portion bu guarantees etc.				

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

2023	Trade Receivables Third party	Trade Receivables Related party	Other receivables	Deposits in bank
Maximum risk exposed credit risk as of reporting date (A+B+C+D)	531,726	2,454	3,098,971	13,237,717
-Secured portion of maximum credit risk bu guarantees etc.	114,385	-	-	
A. Net book value of financial assets either are not due or not impaired	477,857	2,454	3,098,971	7,222,356
Secured portion bu guarantees etc.	113,761	-	-	-
B. Net book value of the expired or not impaired financial assets				
- Secured portion bu guarantees etc.				
C. Net bok value of assets that are overdue but not impaired	53,869	-	-	-
Secured portion bu guarantees etc.	624	-	-	-
D. Net book value of assets that are impaired				
overdue (gross book value)	236,054	-	-	-
impairment (-)	(236,054)	-	-	-
Secured portion bu guarantees etc.				

As of the reporting date, there are no uncollected, overdue, and renegotiated bank deposits nor credit card receivables present at the Group portfolio, thus the Group is in the opinion that there are no credit risks regarding these assets.

Aging of the receivables which are overdue but not impaired

	31 December 2024	31 December 2023
Between 0-1 month	4,685	3,767
Between 1-3 month	400	644
Between 3-12 month	20,424	42,281
Between 1-5 years	299	7,177
	25,808	**53,869**

Capital

The Group monitors the net debt ratio within the scope of Capital Risk Management. The aim of capital management is to maintain a strong credit rating and healthy capital ratios in order to maximize share values and support businesses.

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Net debt ratio as of 31 December 2024 and 2023 is as follows:

	31 December 2024	**31 December 2023**
Total liabilities	92,376,687	80,672,262
Less: Cash and cash equivalents	(22,524,342)	(18,492,047)
Net debt	69,852,345	62,180,215
Equity attributable to holders of parent	57,309,280	52,011,551
Equity + net debt	127,161,625	114,191,766
	54.93%	**54.45%**

NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Exchange Rate Risk

The Group is exposed to foreign exchange risk primarily arising from financial assets denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments. As of 31 December 2024, if both Euro and USD currencies would have appreciated against TRY by 20% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro and USD would have been TRY127,116 higher. (31 December 2023: TRY738,549)

The profit before tax effect can be broken down in terms of currencies in such a way that that the change amounting to TRY78,175 is due to the change in Euro and the change amounting to TRY48,941 is due to USD. (31 December 2023: The effect of the change in the Euro is TRY220,044, the effect of the change in the USD is TRY518,505.)

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	31 December 2024				31 December 2023			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Monetary financial assets	670,089	6,945	10,640	34,194	3,718,545	61,006	23,394	25,415
Other	-	-	-	-	-	-	-	-
Current assets	**670,089**	**6,945**	**10,640**	**34,194**	**3,718,545**	**61,006**	**23,394**	**25,415**
Total assets	**670,089**	**6,945**	**10,640**	**34,194**	**3,718,545**	**61,006**	**23,394**	**25,415**
Trade payables	318	9	-	-	383	9	-	-
Current liabilities	**318**	**9**	**-**	**-**	**383**	**9**	**-**	**-**
Financial liabilities	-	-	-	-	-	-	-	-
Non-monetary other liabilities	-	-	-	-	-	-	-	-
Non-current liabilities	**-**	-	-	-	-	-	-	-
Total liabilities	**318**	**9**	**-**	**-**	**383**	**9**	**-**	**-**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	31 December 2024				31 December 2023			
	Total TRY equivalent	USD	EUR	Other TRY equivalent	Total TRY equivalent	USD	EUR	Other TRY equivalent
Net asset/(liability) position of off-balance sheet derivatives (A-B)	-	-	-	-	-	-	-	-
A. Total amount of off-balance sheet derivative financial assets	-	-	-	-	-	-	-	-
B.Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-
Net foreign currency asset/(liability) position	**669,771**	**6,936**	**10,640**	**34,194**	**3,718,162**	**60,997**	**23,394**	**25,415**
Net foreign currency asset/(liability) position of monetary items	**669,771**	**6,936**	**10,640**	**34,194**	**3,718,162**	**60,997**	**23,394**	**25,415**
Fair value hedge funds of foreign currency	-	-	-	-	602,136	14,167	-	
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	
Hedge amount of foreign currency liabilities	-	-	-	-	-	-	-	
Export	-	-	-	-	-	-	-	
Import	751,678	19,941	-	-	813,704	15,330	-	-

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 28 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity analysis as of 31 December 2024 and 2023 is as follows:

31 December 2024

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
20% change in Euro exchange rate		
Euro net asset/liability	78,175	(78,175)
20% change in USD exchange rate		
USD net asset/liability	48,941	(48,941)
Net effect	**127,116**	**(127,116)**

31 December 2023

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
20% change in Euro exchange rate		
Euro net asset/liability	220,044	(220,044)
20% change in USD exchange rate		
USD net asset/liability	518,505	(518,505)
Net effect	**738,549**	**(738,549)**

NOTE 29 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirecty (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

The fair value hierarchy for the assets and liabilities measured at fair value as of 31 December 2024 and 2023 is as follows:

2024	Level 1	Level 2	Level 3	Total
Lands (Note 10)	-	249,310	1,880,723	2,130,033
Buildings (Note 10)	-	1,138,390	3,044,349	4,182,739
Long term financial investments (Note 5)	-	3,402,581	-	3,402,581
		4,790,281	**4,925,072**	**9,715,353**

2023	Level 1	Level 2	Level 3	Total
Lands (Note 10)	-	-	2,754,456	2,754,456
Buildings (Note 10)	-	-	4,999,590	4,999,590
Derivative instruments	-	-	-	-
Long term financial investments (Note 5)	-	1,668,953	-	1,668,953
		1,668,953	**7,754,046**	**9,422,999**

NOTE 30 – EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES)

Non-monetary Items	31 December 2024
Statement of financial position items	**9,004,758**
Inventories	(379,116)
Prepaid expenses	187,907
Property, plant and equipment	16,070,381
Right of use assets	8,849,887
Financial investments	535,018
Deferred income	(88,418)
Deferred tax liability	(799,965)
Share capital	(1,088,291)
Treasury shares	264,830
Other capital reserves	(531,227)
Other comprehensive income/expenses not to be classified to profit or loss	(118,741)
Dividend advance	5,258
Retained earnings	(13,902,765)
Profit or loss statement items	**9,838,105**
Revenue	(36,127,267)
Cost of sales(-)	37,584,529
General administrative expenses(-)	636,399
Marketing expenses(-)	5,919,148
Other operating income/expenses	1,633,673
Income/expense from investment activities	(57,636)
Financial income/expense	251,802
Income tax expense	(463)
Profit from discontinued operations	(2,080)
Net monatary position gains	**18,842,863**

(Amounts expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 31 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees related to the services received by the Group from the Independent Audit Firm for the years 1 January - 31 December 2024 and 2023 are as follows:

	2024	**2023**
Audit and assurance fee	3,745	2,310
Tax consulting fee	2,222	1,412
Other non-audit services fee	712	893
Fee for other services other than independent audit	-	288
	6,679	**4,903**

NOTE 32 – NON – CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Income and expenses from discontinued operations:

The Group sold its subsidiary Ramstore Kazakhstan LLC ("Ramstore Kazakhstan") for USD21,578 and EUR11,800 with the share transfer agreement dated 15 July 2024. Within the scope of the agreements entered into force, the collection of the aforementioned amounts has been completed as of 23 July 2024.

Income and expenses related to discontinued operations, compared tol ast year, are as follows:

	2024	**2023**
Revenue	90,594	167,188
Cost of sales	(20,454)	(36,308)
General administrative expenses	(15,145)	(36,273)
Other income and expenses from main activity	(729)	(4,666)
Financing costs	(19,034)	(52,443)
Period profit from discontinued operations	**35,232**	**37,498**
Earnings per share from discontinued operations ("TRY")	0.19	0.21

NOTE 33 – EVENTS AFTER THE REPORT

In Turkey, the Domestic Minimum Corporate Tax has entered into force with the laws published in the Official Gazette dated August 2, 2024. The regulation will be applied to corporate income for the taxation period of 2025. Since the institutions will start applying it on their income as of 1 January 2025, it will not have an impact on the current period tax expense in the financials dated 31 December 2024.

APPENDIX 1 - EBITDA

The Group calculates the EBITDA by deducting general administrative expenses and selling, marketing and distribution expenses and adding depreciation expenses, unused vacation liability paid in current year, employee termination benefit provision expense, unusued vacation liability expense on gross profit amount in consolidated statements of income.

	2024	2023	TFRS 16 Effect 2024	TFRS 16 Effect 2023	Before TFRS 16 2024	Before TFRS 16 2023
Revenue	293,779,664	262,132,403	-	-	293,779,664	262,132,403
Cost of goods sold (-)	(225,775,911)	(213,170,188)	1,131,903	513,788	(226,907,814)	(213;683,976)
Gross profit	**68,003,753**	**48,962,215**	**1,131,903**	**513,788**	**67,871,850**	**48,448,427**
General administrative expenses (-)	(5,545,282)	(4,245,499)	-	-	(5,545,282)	(4,245,499)
Marketing expenses (-)	(56,640,106)	(49,113,567)	(2,042,439)	(2,123,415)	(54,792,616)	(46,990,152)
Addition: Depreciation and Amortisation expenses	9,977,506	8,933,801	5,488,590	5,158,806	4,488,916	3,764,995
EBITDA	**15,795,871**	**4,536,950**	**4,578,054**	**3,559,179**	**11,217,817**	**977,771**
Addition: Provision for employment termination benefit and unused vacation	64,318	941,431	-	-	64,318	941,431
EBITDA	**15,860,189**	**5,478,381**	**4,578,054**	**3,559,179**	**11,282,134**	**1,919,202**

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