

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

**ŞOK MARKETLER TİCARET A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 – SEPTEMBER 30, 2023**

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**ŞOK MARKETLER TİCARET A.Ş.**

(Convenience translation of the consolidated financial statements originally issued in Turkish)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2023 AND DECEMBER 31, 2022**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

**ASSETS**

		<b>Not Reviewed 30 September 2023</b>	<b>Audited 31 December 2022</b>
<b>Current Assets</b>	<b>Note</b>		
Cash and cash equivalents	5	3.774.165.083	859.080.628
Trade receivables	7	133.976.474	135.975.765
<i>Trade receivables from related parties</i>	27	118.414.894	100.454.374
<i>Trade receivables from third parties</i>		15.561.580	35.521.391
Other receivables	8	195.156.280	182.775.077
Inventories	9	12.561.602.977	8.828.538.186
Prepaid expenses	10	32.120.398	43.793.810
Other current assets	19	309.196.911	408.274.446
<b>Total Current Assets</b>		<b>17.006.218.123</b>	<b>10.458.437.912</b>
<b>Non Current Assets</b>			
Other receivables	8	69.290.578	58.049.442
Property, plant and equipment	12	3.865.064.819	3.044.194.402
Right of use assets	11	4.833.204.087	3.640.989.376
Intangible assets		790.044.564	724.142.696
<i>Goodwill</i>	14	579.092.596	579.092.596
<i>Other intangible assets</i>	13	210.951.968	145.050.100
Deferred tax assets	26	1.393.959.229	851.184.382
<b>Total Non-Current Assets</b>		<b>10.951.563.277</b>	<b>8.318.560.298</b>
<b>TOTAL ASSETS</b>		<b>27.957.781.400</b>	<b>18.776.998.210</b>

Accompanying notes form an integral part of these consolidated financial statements.

**ŞOK MARKETLER TİCARET A.Ş.**

(Convenience translation of the consolidated financial statements originally issued in Turkish)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2023 AND DECEMBER 31, 2022**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

**LIABILITIES AND EQUITY**

		<b>Not Reviewed 30 September 2023</b>	<b>Audited 31 December 2022</b>
<b>Current Liabilities</b>	<b>Note</b>		
Short-term lease liabilities	6	1.930.001.001	1.464.436.220
Trade payables	7	14.435.461.129	10.269.151.517
<i>Trade payables to related parties</i>	27	616.443.566	799.847.397
<i>Trade payables to third parties</i>		13.819.017.563	9.469.304.120
Payables related to employee benefits	17	1.282.260.507	539.005.969
Other payables	8	20.042.610	610.312
Current tax liabilities	26	268.762.735	6.641.768
Deferred income	10	111.512.841	48.074.753
Other short-term provisions		531.531.151	332.516.968
<i>Provision for short-term employee benefits</i>	17	178.634.787	131.618.615
<i>Other provisions</i>	15	352.896.364	200.898.353
Other current liabilities	19	242.963.442	137.495.277
<b>Total Current Liabilities</b>		<b>18.822.535.416</b>	<b>12.797.932.784</b>
<b>Non current liabilities</b>			
Long-term lease liabilities	6	3.713.989.785	2.811.394.021
Provision for long-term employee benefits	17	408.114.891	301.854.711
Other payables	8	506.771	322.618
Deferred income	10	--	58.067
<b>Total Non-Current Liabilities</b>		<b>4.122.611.447</b>	<b>3.113.629.417</b>
<b>EQUITY</b>			
Share capital	20	593.290.008	593.290.008
Effect of transactions under common control	20	(567.113.629)	(567.113.629)
Accumulated other comprehensive income or expense that will not be reclassified to profit or loss:			
Defined benefit plans reameasurement losses	20	(245.438.431)	(23.336.571)
Restricted reserves	20	41.693.836	8.919.271
Retained earnings / (Accumulated losses)		2.520.902.365	473.843.108
Net profit / (loss) for the year		2.669.300.388	2.379.833.822
<b>Shareholder's equity</b>		<b>5.012.634.537</b>	<b>2.865.436.009</b>
<b>Total Equity</b>		<b>5.012.634.537</b>	<b>2.865.436.009</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>27.957.781.400</b>	<b>18.776.998.210</b>

Accompanying notes form an integral part of these consolidated financial statements.

**ŞOK MARKETLER TİCARET A.Ş.**

(Convenience translation of the consolidated financial statements originally issued in Turkish)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
AS AT PERIODS ENDED SEPTEMBER 30, 2023 AND 2022**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

		Not Reviewed 1 January- 30 September 2023	Not Reviewed 1 July- 30 September 2023	Not Reviewed 1 January- 30 September 2022	Not Reviewed 1 July- 30 September 2022
	Note				
Revenue	21	75.046.876.720	29.667.560.007	40.643.051.315	17.097.753.385
Cost of sales (-)	21	<u>57.390.037.990)</u>	<u>22.353.075.630)</u>	<u>(30.915.241.267)</u>	<u>13.011.825.816)</u>
<b>Gross profit</b>		<b>17.656.838.730</b>	<b>7.314.484.377</b>	<b>9.727.810.048</b>	<b>4.085.927.569</b>
Marketing and sales expenses (-)	22	13.241.467.510)	(5.336.746.463)	(6.975.992.481)	(2.985.686.611)
General administrative expenses (-)	22	(465.479.011)	(231.153.960)	(257.406.891)	(90.319.067)
Other income from operating activities	23	574.630.609	329.256.956	33.285.311	9.385.894
Other expenses from operating activities (-)	23	<u>(654.243.600)</u>	<u>(284.326.117)</u>	<u>(393.368.506)</u>	<u>(136.412.585)</u>
<b>Operating profit</b>		<b>3.870.279.218</b>	<b>1.791.514.793</b>	<b>2.134.327.481</b>	<b>882.895.200</b>
Income from investing activities	24	167.774.821	122.408.864	85.023.187	21.759.257
Expenses from investing activities	24	<u>(356.637)</u>	<u>(227.771)</u>	<u>(913.936)</u>	<u>(277.971)</u>
<b>Loss before finance expenses</b>		<b>4.037.697.402</b>	<b>1.913.695.886</b>	<b>2.218.436.732</b>	<b>904.376.486</b>
Finance expenses (-)	25	<u>(1.411.044.084)</u>	<u>(596.043.460)</u>	<u>(842.883.955)</u>	<u>(327.272.774)</u>
<b>Loss from continuing operations before taxation</b>		<b>2.626.653.318</b>	<b>1.317.652.426</b>	<b>1.375.552.777</b>	<b>577.103.712</b>
Income tax expense / (income)	26	(426.122.437)	(250.175.203)	(127.322.983)	72.241.637
Deferred tax income / (expense)	26	468.769.507	311.214.559	557.194.972	545.812.924
<b>PROFIT FOR THE PERIOD</b>		<b><u>2.669.300.388</u></b>	<b><u>1.378.691.782</u></b>	<b><u>1.805.424.766</u></b>	<b><u>1.195.158.273</u></b>
Attributable to:					
Equity holders of the parent		2.669.300.388	1.378.691.782	1.805.424.766	1.195.158.273
Non-controlling interests		--	--	--	--
<b>Profit / (Loss) per share</b>	30	<b>4,4991</b>	<b>2,3238</b>	<b>3,0431</b>	<b>2,0145</b>
Earnings per share from continuing operations		4,4991	2,3238	3,0431	2,0145
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items that will not be reclassified to profit or loss</b>		<b>(222.101.860)</b>	<b>(91.957.547)</b>	<b>372.636</b>	<b>986.699</b>
Define benefit plans remeasurement (losses) / gains		(296.107.200)	(133.426.809)	466.106	1.233.384
Deferred tax income / (expense)	26	74.005.340	41.469.262	(93.470)	(246.685)
<b>OTHER COMPREHENSIVE (LOSS) / INCOME</b>		<b><u>(222.101.860)</u></b>	<b><u>(91.957.547)</u></b>	<b><u>372.636</u></b>	<b><u>986.699</u></b>
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)</b>		<b><u>2.447.198.528</u></b>	<b><u>1.286.734.235</u></b>	<b><u>1.805.797.402</u></b>	<b><u>1.196.144.972</u></b>
<b>Allocation of Total comprehensive Income / (Loss)</b>					
Non-Controlling Interests		--	--	4.625.424	--
Equity Holders of the Parent		<u>2.447.198.528</u>	<u>1.286.734.235</u>	<u>1.801.171.978</u>	<u>1.196.144.972</u>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<b><u>2.447.198.528</u></b>	<b><u>1.286.734.235</u></b>	<b><u>1.805.797.402</u></b>	<b><u>1.196.144.972</u></b>

Accompanying notes form an integral part of these consolidated financial statements.

**ŞOK MARKETLER TİCARET A.Ş.**

(Convenience translation of the consolidated financial statements originally issued in Turkish)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****AS AT PERIODS ENDED SEPTEMBER 30, 2023 AND 2022**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

			Accumulated other comprehensive income or expense that will not be reclassified to profit or loss			Retained earnings / accumulated losses				
	Share capital	Treasury shares	Defined benefit plans remeasurement losses	Restricted reserves	Effect of transactions under common control	Profit / (loss) for the period	Retained earnings / accumulated Losses	Shareholder's equity	Non- controlling interest (**)	Equity
<b>Reported as of 1 January 2022</b>	<b>611.928.571</b>	<b>(180.724.551)</b>	<b>(13.050.781)</b>	<b>5.156.924</b>	<b>(567.113.629)</b>	<b>324.323.116</b>	<b>319.995.612</b>	<b>500.515.262</b>	<b>(4.625.424)</b>	<b>495.889.838</b>
Transfer to retained earnings	--	--	--	3.762.347	--	(324.323.116)	320.560.769	--	--	--
Capital increase and share issue(*)	(18.638.563)	180.724.551	--	--	--	--	(162.085.988)	--	--	--
Total comprehensive income/(loss)	--	--	374.498	--	--	1.805.424.766	(4.627.286)	1.801.171.978	4.625.424	1.805.797.402
<b>Balance as of 30 September 2022</b>	<b>593.290.008</b>	<b>--</b>	<b>(12.676.283)</b>	<b>8.919.271</b>	<b>(567.113.629)</b>	<b>1.805.424.766</b>	<b>473.843.107</b>	<b>2.301.687.240</b>	<b>--</b>	<b>2.301.687.240</b>
<b>Balance as of 1 January 2023</b>	<b>593.290.008</b>	<b>--</b>	<b>(23.336.571)</b>	<b>8.919.271</b>	<b>(567.113.629)</b>	<b>2.379.833.822</b>	<b>473.843.108</b>	<b>2.865.436.009</b>	<b>--</b>	<b>2.865.436.009</b>
Transfer to retained earnings	--	--	--	32.774.565	--	2.379.833.822)	1.347.059.257	--	--	--
Total comprehensive income/(loss)	--	--	(222.101.860)	--	--	2.669.300.388	--	2.447.198.528	--	2.447.198.528
Dividend paid (***)	--	--	--	--	--	--	(300.000.000)	(300.000.000)	--	(300.000.000)
<b>Balance as of 30 September 2023</b>	<b>593.290.008</b>	<b>--</b>	<b>(245.438.431)</b>	<b>41.693.836</b>	<b>567.113.629)</b>	<b>2.669.300.388</b>	<b>1.520.902.365</b>	<b>5.012.634.537</b>	<b>--</b>	<b>5.012.634.537</b>

(\*) The explanation regarding the capital decrease is disclosed in Note 1.

(\*\*) Şok Marketler Ticaret A.Ş. As of 30 June 2022, with the purchase of the 20% minority share in the consolidated Mevsim Taze Sebze Meyve San.Tic.A.Ş., on 30 June 2022, there is no non-controlling interest.

(\*\*\*) Pursuant to the authority given to our Board of Directors at the Ordinary General Assembly meeting held on 06.06.2023, it has been decided to distribute a total of TL 300,000,000 gross, and TL 270,000,000 net cash dividend at the Board of Directors Meeting dated 16.08.2023. Dividend distribution started on August 22, 2023 and completed on August 24, 2023.

Accompanying notes form an integral part of these consolidated financial statements.

**ŞOK MARKETLER TİCARET A.Ş.**

(Convenience translation of the consolidated financial statements originally issued in Turkish)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
AS AT PERIODS ENDED SEPTEMBER 30, 2023 AND 2022**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

		<b>Not Reviewed 1 January- 30 September 2023</b>	<b>Not Reviewed 1 January- 30 September 2022</b>
	<b>Note</b>		
<b>A. OPERATING ACTIVITIES</b>			
Profit for the period		2.669.300.388	1.805.424.766
<b>Adjustments related to reconciliation of net profit / (loss) for the period</b>			
-Depreciation and amortisation expenses	11-12-13	1.211.914.434	806.320.933
-Provision for employee benefits		85.577.310	179.579.341
-Provision for impairment on receivables	7	2.800	18.770
-Provision for litigation	15	167.266.051	64.150.091
-Deferred financial expense arising from forward purchases		34.802.030	4.525.359
-Allowance for / reversal of impairment on inventories, net		62.510.948	23.634.597
-Loss on sale of property, plant and equipment	24	297.788	660.042
-Tax income		(42.647.070)	(495.984.400)
-Interest income	24	(167.715.972)	(84.769.293)
-Interest expenses	25	1.411.044.084	842.883.955
<b>Cash generated by / (used in) operations before changes in working capital:</b>		<b>5.432.352.791</b>	<b>3.146.444.161</b>
Change in working capital:			
Changes in trade receivables		1.927.465	(23.389.904)
Changes in inventories		(3.795.575.739)	(4.280.432.177)
Changes in other receivables and current assets		75.455.196	(466.334.615)
Changes in trade payables		4.131.507.582	3.688.463.378
Changes in other payables and expense accruals		125.084.616	(22.912.261)
Changes in employee benefits		743.254.538	241.516.263
Changes in prepaid expenses and deferred income		75.053.433	(5.036.437)
<b>Cash used in operations</b>		<b>6.789.059.882</b>	<b>2.278.318.408</b>
Income taxes paid		(164.001.470)	(61.210.572)
Other cash inflow	7	69.026	93.856
Other provision paid	15	(15.268.040)	(296.298.995)
Employee benefits paid	17	(228.408.158)	(74.550.499)
<b>Net cash generated by operating activities:</b>		<b>6.381.451.240</b>	<b>1.846.352.198</b>
<b>B. INVESTING ACTIVITIES</b>			
Interest received	24	167.715.972	84.769.293
Purchases of property, plant and equipment	12	(1.310.377.304)	(1.410.824.312)
Purchases of intangible assets	13	(86.173.435)	(20.076.235)
Cash inflows from the sale of property, plant and equipment	12-13-24	78.769.975	543.317
<b>Net cash used in investing activities</b>		<b>(1.150.064.792)</b>	<b>(1.345.587.937)</b>
<b>C. FINANCING ACTIVITIES</b>			
Cash outflows from finance leases	6	--	(711.932)
Interest paid		(472.753.759)	(228.629.249)
Cash outflows from interest payments of lease liabilities	25	(938.290.325)	(614.254.706)
Cash outflows lease payments related to debt payments	6	(605.257.909)	(365.576.201)
Dividend paid (*)		(300.000.000)	--
<b>Net cash (used in) / generated from financing activities</b>		<b>(2.316.301.993)</b>	<b>(1.209.172.088)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>2.915.084.455</b>	<b>(708.407.827)</b>
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>5</b>	<b>859.080.628</b>	<b>1.343.778.022</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	<b>5</b>	<b>3.774.165.083</b>	<b>635.370.195</b>

(\*) Pursuant to the authority given to our Board of Directors at the Ordinary General Assembly meeting held on 06.06.2023, it has been decided to distribute a total of TL 300,000,000 gross, and TL 270,000,000 net cash dividend at the Board of Directors Meeting dated 16.08.2023. Dividend distribution started on August 22, 2023 and completed on August 24, 2023.

Accompanying notes form an integral part of these consolidated financial statements.

## **ŞOK MARKETLER TİCARET A.Ş.**

(Convenience translation of the consolidated financial statements originally issued in Turkish)

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2023**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

#### **1. GROUP'S ORGANISATION AND NATURE OF OPERATIONS**

Şok Marketler Ticaret Anonim Şirketi ("Şok" or the "Company") was established in 1995 to operate in the retail sector, selling fast moving consuming products in Turkey. The registered address of the Company is Kısıklı Mah. Hanımseti Sok No:35 B/1 İstanbul/Üsküdar and continues its activities in 81 provinces of Turkey. The number of personnel is 47.119 as of 30 September 2023 (31 December 2022: 45.293).

Şok and its subsidiaries (together the "Group"), are comprised of the parent, Şok and two subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company.

On 25 August 2011, Şok 's shares were transferred from Migros Ticaret A.Ş.

The Group acquired 18 stores of Dim Devamlı İndirim Mağazacılık A.Ş between February 21, 2013 and March 28, 2013. The purchase was not made through the purchase of shares but through the purchase of the assets in stores.

On 19 April 2013, the Group signed share transfer agreement for the purpose of purchasing 100% of the DiaSA Dia Sabancı Süpermarketleri Tic. A.Ş ("DiaSA"). All of DiaSA's shares were transferred to Şok Marketler A.Ş. on 1 July 2013.

On 8 July 2013, 100% of the shares of Onur Ekspres Marketçilik A.Ş. was purchased by Şok. DiaSA and OnurEx merged with Şok on 1 November 2013 and 19 December 2013, respectively.

On 29 May 2015, the Group acquired 80% share of Mevsim Taze Sebze Meyve San. ve Tic. A.Ş. ("Mevsim"). On June 23, 2022, she acquired the remaining 20% of the shares, and had 100% of the shares.

On 26 December 2017, the Group acquired 55% shares of Teközel Gıda Temizlik Sağlık Marka Hizmetleri Sanayi ve Ticaret A.Ş. ("Teközel") and 45% shares on 2 July 2018, respectively. The Company merged with Teközel on 10 May 2019 with CMB approval dated 28 March 2019 and Trade Registry approval dated 10 May 2019. After the merger Şok acquired 100 % shares of Teközel's subsidiary UCZ Mağazacılık Tic. A.Ş ("UCZ").

The Group's public shares are traded on Borsa İstanbul (BIST) as of 18 May 2018.

Within the framework of the registered capital system, with the completion of the public offering by restricting the rights of the existing shareholders to purchase new shares simultaneously, total capital of the Company increased by TL 33.428.571 to TL 611.928.571. As a result of the cancellation of the repurchased shares corresponding to TL 18.638.563, the Company's capital of TL 611.928.571 is decreased by TL 18.638.563 and became TL 593.290.008 as of June 1, 2022.

The Group's shareholding structure is presented in Note 20.

As of 30 September 2023 the Group has a total of 10.601 stores (31 December 2022: 10.281).

The Group's internet address is [www.sokmarket.com.tr](http://www.sokmarket.com.tr).

#### **Approval of consolidated financial statements:**

The Board of Directors has approved the consolidated financial statements and given authorization for the issuance on 9 November 2023.

#### **2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

##### **2.1 Basis of the presentation**

##### **Statement of Compliance**

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2023**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of the presentation (Continued)**

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

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

*Statement of Compliance*

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

Interim consolidated financial statements has presented in accordance with the formats specified in the "Announcement on TMS Taxonomy" published by POA on October 4, 2022, and the "Financial Statement Examples and User Guide".

On January 20, 2022, the Public Oversight Authority ("POA") made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of the preparation date of these consolidated financial statements, no further announcement has been made by POA on this subject. Consequently, TAS 29 has not been taken into account and no inflation adjustments were made for the year ended and as of 30 September 2023.

**2.2 Functional Currency**

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates. The results and financial position of the entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the Group's consolidated financial statements.

**2.3 Going Concern**

The consolidated financial statements of the Group have been prepared on the basis of the going concern.

## ŞOK MARKETLER TİCARET A.Ş.

(Convenience translation of the consolidated financial statements originally issued in Turkish)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2023

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.4 Basis of Consolidation

The details of the Group's subsidiaries at 30 September 2023 and 31 December 2022 are as follows:

Subsidiaries	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	Direct Ownership Rate %		Group Efficiency Rate %	
Mevsim Taze Sebze Meyve San. ve Tic. A.Ş.	100%	100%	100%	100%
UCZ Mağazacılık Tic. A.Ş.	100%	100%	100%	100%

Consolidated financial statements include financial statements of entities controlled by the Group and its subsidiaries.

Control is obtained by the Group, when the following terms are met;

- Having power over the invested company/assets
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and other comprehensive income are attributable to the equity holders of both the parent company and non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries in relation to accounting policies so that they conform to the accounting policies followed by the Group. All cash flows from in-group assets and liabilities, equity, income and expenses, and transactions between Group companies are eliminated in consolidation.

### 2.5 Changes in Accounting Policies

Significant changes in the accounting policies are accounted retrospectively and prior period's financial statements are restated. The Group has not made any changes in accounting policies in the reporting period.

### 2.6 Changes in Accounting Estimates and Errors

Following changes in key estimates:

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the previous periods are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current period but if the estimated changes effect the following periods, changes are applied both on the current and following years prospectively. There is no material change in accounting estimates of the Group in the current period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2023**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.7 Application of new and revised TFRSs**

*a) Standards, amendments, and interpretations applicable as of 30 September 2023:*

- **Narrow scope amendments to TAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. These amendments have no material impact on the Group's consolidated financial statements.
- **Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. These amendments have no material impact on the Group's consolidated financial statements.
- **Amendment to TAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. These amendments have no material impact on the Group's consolidated financial statements.

*b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2023:*

- **Amendment to TAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. These amendments have no material impact on the Group's consolidated financial statements.
- **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 IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. These amendments have no material impact on the Group's consolidated financial statements.
- **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. These amendments have no material impact on the Group's consolidated financial statements.
- **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. These amendments have no material impact on the Group's consolidated financial statements.
- **TFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. These amendments have no material impact on the Group's consolidated financial statements.
- **TFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. These amendments have no material impact on the Group's consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies**

**Revenue**

Revenue is recognized in the consolidated financial statements at the transaction price. The transaction fee is the amount that the entity expects to receive in return for transferring the goods or services that it has committed to the customer, except for the amounts collected on behalf of third parties (Şok İşlem, Money Transfer). When the control of the goods or services is transferred to the customers, the related amount is reflected to the consolidated financial statements as revenue. Net sales are presented by deducting returns and discounts from sales of goods.

The Group recognizes revenue from the following main sources:

i) Retail revenues

The Group sells food and non-food fast-moving consumer goods through cash, credit card, "Cepte Şok" or customer cards (Istanbul Metropolitan Municipality (IBB) Social Card, Şok Card, Paye Card) and sells it to retail customers in retail stores and revenue is recognised when the ownership of the goods is transferred to the customer.

ii) Turnover premiums and discounts from sellers

The Group recognizes turnover premiums and discounts received from sellers on an accrual basis over the period in which the sellers benefit from the services.

iii) Wholesale revenues

The Group sells its food and non-food fast-moving consumer goods directly to its commercial customers directly from its own warehouse or to the customer. When the shipment is completed and the goods are delivered to the customer they are recognised as revenue.

**Financing component of revenue**

Approximately 50% - 60% of total revenue was made in cash and 40% - 50% in credit card in the financial reporting period ending on 30 September 2023 (2022: 50% - 60% in cash and 40% - 50% in credit card).

The Group management has concluded that there is no significant financing component for transactions identified as credit card and sales contracts. There is no difference between the promised consideration and the cash sale price of the goods or services promised and as a result it is concluded that discounted credit sales pursuant to TAS 18 will not be discounted by the application of TFRS 15.

**Revenue recognition**

Revenue Recognition Group recognises revenue based on the following five principles in accordance with the TFRS 15 - "Revenue from Contracts with Customers" standard:

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****2.8 Summary of Significant Accounting Policies (Continued)****Revenue recognition (Continued)**

According to this model, goods or services promised in each contract with customers are evaluated. Each commitment made to transfer goods or services is determined as a separate performance obligation. Afterwards, it is determined whether the performance obligations will be fulfilled over time or at a certain time. If the Group transfers control of a good or service over time and therefore fulfills the performance obligations related to the related sales over time, it measures the progress towards the full fulfillment of the said performance obligations and recognizes the revenue in the consolidated financial statements over time. Revenue related to performance obligations in the form of goods or services transfer commitments are recognized when control of the goods or services is taken over by customers.

The Group evaluates the following when evaluating the transfer of control of the goods or services sold to the customer:

- a) Ownership of the Group's right to collect on goods or services,
- b) Customer's legal ownership of the goods or services,
- c) Transfer of possession of goods or services,
- d) Customer's possession of significant risks and rewards arising from owning the property or service,
- e) Customer's acceptance of the goods or services.

Other income gained by the Group is reflected by the basis mentioned below:

- Interest income – accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**Inventories**

Inventories are stated at the lower of cost and net realizable value as of balance sheet date. Cost is calculated as the average cost over the month. Net realizable value represents the estimated selling price less all estimated costs incurred in marketing and selling.

**Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Other expenses are accounted under expense items in consolidated income statement in the period in which they are incurred.

Depreciation is charged on a straight-line basis over the assets' estimated useful lives. Based on the average useful lives of property and equipment, the following depreciation rates are determined as stated below:

Vehicles	5 years
Fixtures and Furniture	4-15 years
Leasehold improvements	5-20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated profit or loss.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with TAS 12 Income Taxes and TAS 19 Employee Benefits respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Shares in Other Entities

For each subsidiary that the Group has a non-controlling interest in accordance with TFRS 12 the Group discloses (a) for each subsidiary that has a non-controlling interest, (a) the name of the subsidiary, (b) the place where the subsidiary operates mainly (and the country where the company is located, c) the share of ownership held by non-controlling interests, and (d) the share of the voting rights held by non-controlling interests in the event of a change from the ownership interest rate; (f) Disclose non-controlling interest in the subsidiary as of the end of the reporting period; and (g) financial information related to the subsidiary.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

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. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the statement of income. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Leasing

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
  - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
  - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Leasing (Continued)

The Group – as a lessee (Continued)

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- a) Amount of the initial measurement of the lease liability;
- b) Any lease payments made at or before the commencement date, less any lease incentives received;
- c) Any initial direct costs incurred by the Group; and

The Group re-measure the right of use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset,
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value

The Group applies TAS 16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the annual interest rate implicit in the lease if readily determined or with the Group's annual borrowing rate.

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

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

After initial recognition, the lease liability is measured:

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

The Group – as a lessee (Continued)

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

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

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

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

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

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

The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

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

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

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

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

**Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax annual discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Financial Instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Financial assets (Continued)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at a mortised cost and at FVTOCI.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item (Note 24).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at a mortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. In particular, foreign exchange differences are recognized in profit or loss for financial assets that are shown at amortized cost and are not part of a defined hedge.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

A financial liability is measured at fair value during its initial recognition. During the initial recognition of financial liabilities whose fair value difference is not reflected in profit or loss, transaction costs that can be directly associated with the undertaking of the relevant financial liability are added to the fair value in question. Financial liabilities are accounted over the amortized cost value by using the effective interest method together with the interest expense calculated over the effective interest rate in the following periods.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Earnings per share

Earnings per share disclosed in the consolidated income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

Foreign Currency Transactions

Transactions in foreign currencies (currencies other than Turkish Lira) in the legal books of the Group are translated into Turkish Lira at the rates of exchange prevailing at the transaction dates. Assets and liabilities in balance sheet denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Gains and losses arising on settlement and translation of foreign currency items are included in the consolidated statements of profit or loss.

Events After the Reporting Period

Events after the reporting period cover the events which arise between the balance sheet date and the date when the consolidated financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or disclosure of other selected financial information.

The Group restates its consolidated financial statements if such subsequent events arise which require to adjust consolidated financial statements.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Provisions, Contingent Assets and Liabilities

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Related Parties

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

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) Has control or joint control over the reporting entity;
- (ii) Has significant influence over the reporting entity; or
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

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

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

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Business combinations under common control

The Group recognizes business combinations under common control by using pooling of interest method in the consolidated financial statements. Accordingly:

- No goodwill is recognized in the financial statements
- Goodwill recognized from the acquisition of an acquiree has not been reflected in the consolidated financial statements.
- While application of the pooling of interest method financial statements are restated as if the business combination was effected and presented comparatively as of the beginning of the reporting period when the common control existed;
- As it would be appropriate for parent company to consider the inclusion of business combinations under common control to consolidated financial statements, for consolidation purposes, financial statements including combination accounting are restated in accordance with TAS as if the consolidated financial statements are prepared in accordance with TAS prior and subsequent to the date that Group's controlling party has common control over entities.
- In order to eliminate potential assets-liabilities difference arising from business combinations within the scope of under common control transactions, "Effect of transactions under common control" account has been used as an offset account.

Current tax

Taxable profit/loss differs from 'profit/loss before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the individual financial statements of the businesses within the scope of consolidation and the amounts taken into account in the legal tax base calculation according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Deferred tax (Continued)

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying value of the deferred tax asset is reduced to the extent that it is not probable that a financial profit will be obtained to allow some or all of the benefits to be obtained.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Employee Benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IAS 19"). The retirement benefit obligation recognized in the consolidated balance sheet represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in consolidated other comprehensive income.



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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.8 Summary of Significant Accounting Policies (Continued)**

Statement of Cash Flows

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

Share capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

**2.9 Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

The critical decisions, evaluations, estimates and assumptions made by the Group while applying its accounting policies are as follows:

Allowance of inventory

The Group has recognized an allowance for net realizable value of non-food inventory that is not expected to be used and/or slow moving over 90 days. The Group has identified inventories for which the net realizable value is less than carrying value. Based on the management analysis, an allowance amounting to TL 165.940.320 is recognized for net realizable value of inventories (31 December 2022: TL 103.429.372).

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**2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.9 Critical Accounting Judgments and Key Sources of Estimation Uncertainty (Continued)**

The critical decisions, evaluations, estimates and assumptions made by the Group while applying its accounting policies are as follows: (Continued)

Provisions

In accordance with the accounting policy in Note 2.8, provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Accordingly as of 30 September 2023 and 31 December 2022 the Group evaluated the current risks and booked the required provisions (Note 15).

Useful life of property and equipment and intangible assets

The Group calculates depreciation for its tangible and intangible fixed assets over their expected useful lives.

Şok brand value is determined by independent valuation specialists during the purchase of Şok which is mentioned in Note 1. Because the useful life of brand value is not limited by any special agreement or regulation and it keeps generating cash flows; it is assumed that the brand value has an indefinite useful life. The brand which is considered as indefinite useful life is annually reviewed by the Group for impairment.

The brand value is determined by the calculation amount generated from the operations. These calculations are based on estimates of cash flows after tax based on the financial budget covering five-year period. Estimates of EBITDA (earnings before interest, tax, depreciation and amortization) are an important part of these calculations. As a result of estimations and calculations made by the Group management, Group management concluded that there is no impairment on brand value as of 30 September 2023.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

**3. TRANSACTIONS UNDER COMMON CONTROL**

After the merger with Teközel, the amount of Transactions Under Common Control account shareholder's equity is TL 567.113.629 on 10 May 2019.(31 December 2022: TL 567.113.629).

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**4. SEGMENT REPORTING**

The Group's operating segments are identified based on the information provided to and analyzed by the CEO, which represents the chief operating decision maker (CODM), making decisions regarding the allocation of resources and assessing performance.

For the purposes of TFRS 8, the activities performed by the Group are identified as belonging to a single operating segment, given that the Group's business consists of retail stores selling fast moving consumer products in Turkey and that the CODM reviews the Group's stores as a whole.

**5. DISCLOSURES RELATED TO STATEMENT OF CASH FLOWS**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Cash on hand	577.106.165	452.045.347
Cash at banks	2.963.245.812	171.610.081
Credit card deposits	233.813.106	235.425.200
<b>Cash and cash equivalents</b>	<b>3.774.165.083</b>	<b>859.080.628</b>

There are no restrictions on bank deposits of the Group as at 30 September 2023 (31 December 2022: None).

The maturity of credit card receivables is less than 30 days.

**6. BORROWINGS**

<b>Financial Borrowings</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Other Financial Debts	5.643.990.786	4.275.830.241
	<b>5.643.990.786</b>	<b>4.275.830.241</b>

Group management believes that the fair value of the Group's debts approximate to the carrying value of such debts due to their short term nature.

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**6. BORROWINGS (Continued)****Lease Liabilities**

<b>Lease liabilities</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Short-term lease liabilities	1.930.001.001	1.464.436.220
Long-term lease liabilities	3.713.989.785	2.811.394.021
	<b>5.643.990.786</b>	<b>4.275.830.241</b>

As of 30 September 2023, the net book value of the right of use assets arising from lease liabilities is TL 4.833.204.087 (31 December 2022: TL 3.640.989.376) (Note 11).

**Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>1 January 2023</b>	<b>Financial cash flow</b>	<b>Non-cash changes</b>	<b>30 September 2023</b>
			<b>Other</b>	
Lease liabilities	4.275.830.241	(605.257.909)	1.973.418.454	5.643.990.786
	<b>4.275.830.241</b>	<b>(605.257.909)</b>	<b>1.973.418.454</b>	<b>5.643.990.786</b>

  

	<b>1 January 2022</b>	<b>Financial cash flow</b>	<b>Non-cash changes</b>	<b>30 September 2022</b>
			<b>Other</b>	
Financial leasing payables	711.932	(711.932)	--	--
Lease liabilities	3.009.410.095	(365.576.201)	1.230.155.121	3.873.989.015
	<b>3.010.122.027</b>	<b>(366.288.133)</b>	<b>1.230.155.121</b>	<b>3.873.989.015</b>

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**7. TRADE RECEIVABLES AND PAYABLES**

	<b>30 September</b>	<b>31 December</b>
<b><u>Current trade receivables</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Trade receivables from related parties (Note 27)	118.414.894	100.454.374
Trade receivables	24.219.609	44.245.646
Allowance for doubtful receivables (-) (Note 28)	(8.658.029)	(8.724.255)
	<b><u>133.976.474</u></b>	<b><u>135.975.765</u></b>

The Group's average period for collection of receivables is 1 days when wholesale revenue is taken into consideration (31 December 2022: 1 days).

As of 30 September 2023 the Group provided allowance for doubtful receivables amounting to TL 8.658.029 based on reference to past default experience (31 December 2022: TL 8.724.255).

As of 30 September 2023 and 2022 the movements of allowance for doubtful receivables are as follows:

	<b>1 January- 30 September</b>	<b>1 January- 30 September</b>
<b><u>Movement of Allowance for Doubtful Receivables</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Balance at beginning of the period	(8.724.255)	(8.907.806)
Charge for the period (Not 23)	(2.800)	(18.770)
Collections	69.026	93.856
<b>Closing balance</b>	<b><u>(8.658.029)</u></b>	<b><u>(8.832.720)</u></b>

A simplified approach is applied for the impairment of trade receivables that are accounted at a mortized cost in the consolidated financial statements and do not include a significant financing component (less than 1 year). In cases where the trade receivables are not impaired due to certain reasons (except for the realized impairment losses), the provisions for losses related to trade receivables are measured by an amount equal to life long expected credit losses.

Allowance matrix is used to measure expected credit losses for trade receivables. Provision rates are calculated based on the number of days that maturities of trade receivables are exceeded and in each reporting period such rates are reviewed and revised whenever necessary. The change in expected credit losses provisions is accounted under other operating income/ expenses.

The Group collects almost all of its sales by cash or credit cards in store registers. The Group has concluded that, there is no need to make an additional provision in accordance with TFRS 9 due to fact nearly all of the group sales are collected by cash or credit card in store cash registers.

	<b>30 September</b>	<b>31 December</b>
<b><u>Short-term trade payables</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Trade payables	13.819.017.563	9.469.304.120
Trade payables to related parties (Note 27)	616.443.566	799.847.397
	<b><u>14.435.461.129</u></b>	<b><u>10.269.151.517</u></b>

The average maturity of the Group's trade payables is 68 days (31 December 2022: 83 days).

As of 30 September 2023 and 31 December 2022, the Group does not have any long term trade payables.

Explanations about the nature and level of risks related to trade receivables are provided in Note 28.

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**8. OTHER RECEIVABLES AND PAYABLES**

	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Other short-term receivables</b>		
Tax receivables	119.507.182	144.134.258
Insurance receivables	40.750.928	11.778.631
Other receivables	34.898.170	26.862.188
	<b>195.156.280</b>	<b>182.775.077</b>
<b>Other short-term payables</b>		
Deposits and guarantees	500.000	500.000
Other payables	19.542.610	110.312
	<b>20.042.610</b>	<b>610.312</b>
<b>Other long-term receivables</b>		
Guarantee and deposits given	69.290.578	58.049.442
	<b>69.290.578</b>	<b>58.049.442</b>
<b>Other long-term payables</b>		
Deposits and guarantees	506.771	322.618
	<b>506.771</b>	<b>322.618</b>

**9. INVENTORIES**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Trade goods	12.473.002.138	8.721.826.041
Other inventory	254.541.159	210.141.517
Allowance for impairment on inventory (-)	(165.940.320)	(103.429.372)
	<b>12.561.602.977</b>	<b>8.828.538.186</b>

Allowance for net realizable value of inventories is allocated for inventories and recognized in the cost of goods sold.

The Group has identified inventories that net realizable value lower than cost as of the balance sheet date. Accordingly allowance for net realizable value of inventories amounting to TL 165.940.320 has been booked as of 30 September 2023 (31 December 2022: TL 103.429.372).

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**10. PREPAID EXPENSES AND DEFERRED INCOME**

	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>Short-term prepaid expenses</b>		
Prepaid expenses	32.120.398	43.793.810
	<b>32.120.398</b>	<b>43.793.810</b>
<b>Short-term deferred income</b>		
Advances received	110.361.437	32.363.253
Deferred income	1.151.404	15.711.500
	<b>111.512.841</b>	<b>48.074.753</b>
<b>Long-term deferred income</b>		
Deferred income	--	58.067
	<b>--</b>	<b>58.067</b>

**11. RIGHT OF USE ASSETS**

<u>Cost</u>	<b>Stores</b>	<b>Warehouses and other</b>	<b>Total</b>
Opening balance as of 1 January 2023	5.415.121.563	238.287.759	5.653.409.322
Additions	2.030.447.034	65.332.774	2.095.779.808
Disposals	(249.897.415)	(14.058.522)	(263.955.937)
<b>Closing balance as of 30 September 2023</b>	<b>7.195.671.182</b>	<b>289.562.011</b>	<b>7.485.233.193</b>
<b>Accumulated Amortization</b>			
Opening balance as of 1 January 2023	1.912.505.137	99.914.809	2.012.419.946
Charge for the period	738.911.092	42.292.651	781.203.743
Disposals	(132.819.891)	(8.774.692)	(141.594.583)
<b>Closing balance as of 30 September 2023</b>	<b>2.518.596.338</b>	<b>133.432.768</b>	<b>2.652.029.106</b>
<b>Carrying value as of 30 September 2023</b>	<b>4.677.074.844</b>	<b>156.129.243</b>	<b>4.833.204.087</b>
<u>Cost</u>	<b>Stores</b>	<b>Warehouses and other</b>	<b>Total</b>
Opening balance as of 1 January 2022	3.705.464.351	166.254.304	3.871.718.655
Additions	1.208.437.502	35.004.703	1.243.442.205
Disposals	(31.740.299)	(12.150.314)	(43.890.613)
<b>Closing balance as of 30 September 2022</b>	<b>4.882.161.554</b>	<b>189.108.693</b>	<b>5.071.270.247</b>
<b>Accumulated Amortization</b>			
Opening balance as of 1 January 2022	1.238.004.890	68.387.516	1.306.392.406
Charge for the period	476.753.360	21.851.601	498.604.961
Disposals	(24.308.650)	(6.294.879)	(30.603.529)
<b>Closing balance as of 30 September 2022</b>	<b>1.690.449.600</b>	<b>83.944.238</b>	<b>1.774.393.838</b>
<b>Carrying value as of 30 September 2022</b>	<b>3.191.711.954</b>	<b>105.164.455</b>	<b>3.296.876.409</b>

Depreciation expenses related to right of use assets amounting to TL 781.203.743 booked in marketing and selling expenses (1 January-30 September 2022: TL 498.604.961) (Note 22).

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**12. PROPERTY, PLANT AND EQUIPMENT**

	<b>Vehicles</b>	<b>Furniture and Fixture</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b><u>Cost</u></b>				
Opening balance as of 1 January 2023	69.478.859	3.734.035.327	1.177.312.564	4.980.826.750
Additions	19.179.644	1.036.131.985	255.065.675	1.310.377.304
Disposals	(82.274)	(79.139.173)	(32.346.100)	(111.567.547)
<b>Closing balance as of 30 September 2023</b>	<b>88.576.229</b>	<b>4.691.028.139</b>	<b>1.400.032.139</b>	<b>6.179.636.507</b>
<b><u>Accumulated Depreciation</u></b>				
Opening balance as of 1 January 2023	12.431.156	1.494.256.251	429.944.941	1.936.632.348
Charge for the period	14.944.203	298.602.193	98.278.326	411.824.722
Disposals	(15.961)	(24.036.366)	(9.833.055)	(33.885.382)
<b>Closing balance as of 30 September 2023</b>	<b>27.359.398</b>	<b>1.768.822.078</b>	<b>518.390.212</b>	<b>2.314.571.688</b>
<b>Carrying value as of 30 September 2023</b>	<b>61.216.831</b>	<b>2.922.206.061</b>	<b>881.641.927</b>	<b>3.865.064.819</b>
	<b>Vehicles</b>	<b>Furniture and Fixture</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b><u>Cost</u></b>				
Opening balance as of 1 January 2022	4.304.665	2.591.530.427	759.204.652	3.355.039.744
Additions	47.142.339	1.075.072.867	288.609.106	1.410.824.312
Disposals	(23.576)	(2.962.321)	(2.147.494)	(5.133.391)
<b>Closing balance as of 30 September 2022</b>	<b>51.423.428</b>	<b>3.663.640.973</b>	<b>1.045.666.264</b>	<b>4.760.730.665</b>
<b><u>Accumulated Depreciation</u></b>				
Opening balance as of 1 January 2022	406.434	1.188.608.881	337.259.303	1.526.274.618
Charge for the period	8.068.145	222.941.959	68.523.192	299.533.296
Disposals	(3.559)	(2.723.257)	(1.242.023)	(3.968.839)
<b>Closing balance as of 30 September 2022</b>	<b>8.471.020</b>	<b>1.408.827.583</b>	<b>404.540.472</b>	<b>1.821.839.075</b>
<b>Carrying value as of 30 September 2022</b>	<b>42.952.408</b>	<b>2.254.813.390</b>	<b>641.125.792</b>	<b>2.938.891.590</b>

There is insurance coverage amounting to TL 19.933.672.041 on the furniture and fixtures and machinery. (31 December 2022: TL 9.017.296.424).

Current depreciation expense related to fixed assets amounting to TL 407.420.998 (1 January – 30 September 2022: TL 296.426.864) booked in marketing and selling expenses and TL 4.403.724 booked in general administrative expenses (1 January – 30 September 2022: TL 3.106.432) (Note 22).



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**13. OTHER INTANGIBLE ASSETS**

<u>Cost</u>	<u>Trademarks</u>	<u>Rights</u>	<u>Total</u>
Opening balance as of 1 January 2023	85.675.510	111.811.380	197.486.890
Additions	--	86.173.435	86.173.435
Disposals	--	(2.188.054)	(2.188.054)
<b>Closing balance as of 30 September 2023</b>	<b>85.675.510</b>	<b>195.796.761</b>	<b>281.472.271</b>
<u>Accumulated Amortization</u>			
Opening balance as of 1 January 2023	--	52.436.790	52.436.790
Charge for the period	--	18.885.969	18.885.969
Disposals	--	(802.456)	(802.456)
<b>Closing balance as of 30 September 2023</b>	<b>--</b>	<b>70.520.303</b>	<b>70.520.303</b>
<b>Carrying value as of 30 September 2023</b>	<b>85.675.510</b>	<b>125.276.458</b>	<b>210.951.968</b>
<u>Cost</u>	<u>Trademarks</u>	<u>Rights</u>	<u>Total</u>
Opening balance as of 1 January 2022	85.675.510	79.830.410	165.505.920
Additions	--	20.076.235	20.076.235
Disposals	--	(69.208)	(69.208)
<b>Closing balance as of 30 September 2022</b>	<b>85.675.510</b>	<b>99.837.437</b>	<b>185.512.947</b>
<u>Accumulated Amortization</u>			
Opening balance as of 1 January 2022	--	40.924.130	40.924.130
Charge for the period	--	8.182.676	8.182.676
Disposals	--	(30.401)	(30.401)
<b>Closing balance as of 30 September 2022</b>	<b>--</b>	<b>49.076.405</b>	<b>49.076.405</b>
<b>Carrying value as of 30 September 2022</b>	<b>85.675.510</b>	<b>50.761.032</b>	<b>136.436.542</b>

The amortization expense of intangible assets amounting to TL 18.885.969 is presented in marketing and selling expenses (1 January – 30 September 2022: TL 8.182.676) (Note 22).

Assumptions used for brand impairment are explained in Note 2.9.

**14. GOODWILL**

Detail of goodwill for the periods ended 30 September 2023 and 2022 is as follows:

<u>Company</u>	<u>Acquisition Date</u>	<b>30 September 2023</b>	<b>31 December 2022</b>
Şok Marketler Ticaret A.Ş.	August 2011	245.485.151	245.485.151
Dia Sabancı Süpermarketleri Tic. A.Ş.	July 2013	301.974.645	301.974.645
Onur Ekspres Marketçilik A.Ş.	July 2013	27.524.000	27.524.000
Other	-	4.108.800	4.108.800
		<b>579.092.596</b>	<b>579.092.596</b>
		<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Goodwill		579.092.596	579.092.596
		<b>579.092.596</b>	<b>579.092.596</b>

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**14. GOODWILL (Continued)**

As a result of internal management purposes, goodwill is allocated to groups of cash-generating units that have similar neighborhoods and similar customer basis. Group of cash generating units are that allocated to districts by post codes.

Recoverable amount of each cash generating unit is determined based on fair value ("FV") less cost to sell of each cash generating unit that is determined according to relative valuation techniques by applying combination of multiples FV/EBITDA and FV/Sales by 40% and 60% respectively. Group management has applied 14.0X multiple for FV/EBITDA and 0.75X multiple for FV/Sales in the impairment model which is consistent with benchmarks and market conditions. Based on calculations above there is no impairment of goodwill associated with cash-generating units.

No impairment of goodwill associated with cash-generating units would have been determined, even if the estimated multiples for FV/EBITDA and FV/Sales used in the calculation of the recoverable amount of the cash-generating units had been decreased or increased by 5% as part of the sensitivity analysis.

**15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

Other short-term provisions

Provisions for short term liabilities as of 30 September 2023 and 31 December 2022 are as follows:

	<b>30 September 2023</b>	<b>31 December 2022</b>
Lawsuits	352.896.364	200.898.353
	<b>352.896.364</b>	<b>200.898.353</b>

Provisions for as of 30 September 2023 and 2022 are as follows:

	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Balance at 1 January	200.898.353	363.721.895
Additional provisions recognized (Note 23)	167.266.051	64.150.091
Payments (*)	(15.268.040)	(296.298.995)
<b>Balance at 30 September</b>	<b>352.896.364</b>	<b>131.572.991</b>

(\*) According to the letter of Competition Authority declared on October 28, 2021, with regard to investigation carried out by the Turkish Competition Authority on chain markets and their suppliers with File No. 2020-3-019 along with other companies. It has been notified that an administrative fine of TL 384.369.037,15 has been imposed on our Group on the grounds that Article 4 of the Law No. 4054 has been violated. According to the date of 18 January 2022, when the reasoned decision was notified, an administrative fine was paid TL 288.276.778 on 14 February 2022 by benefiting from a 25% legal discount.

Group management evaluates the possible results and financial impact of these lawsuits at each reporting period and provides the necessary provisions for possible liabilities as a result of this assessment. As of 30 September 2023, the provision amount related with the lawsuits is amounting to TL 352.896.364 (31 December 2022: TL 200.898.353).

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**16. COMMITMENTS**

	<b>30 September 2023</b>	<b>31 December 2022</b>
A. CPM's given in the name of its own legal personality (*)		
-Guarantees	236.370.843	48.671.100
-Mortgages	--	--
-Pledges	--	--
B. CPM's given on behalf of the fully consolidated companies (*)	--	--
C. CPM's given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPM's given		
i) Total amount of CPM's given on behalf of the majority shareholder	--	--
ii) Total amount of CPM's given on behalf of third parties which are not in scope of B and C	--	--
iii) Total amount of CPM's given on behalf of third parties which are not in scope C	--	--
	<b>236.370.843</b>	<b>48.671.100</b>

(\*) Relevant amounts are generally related to non-cash risks given to suppliers.

**17. EMPLOYEE BENEFITS****Liabilities within the scope of employee benefits:**

<b>Short-term benefits</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Due to personnel	805.757.147	325.880.990
Social security premiums payable	476.503.360	213.124.979
	<b>1.282.260.507</b>	<b>539.005.969</b>

**Provisions for short-term employee benefits**

<b>Provisions for employee benefits</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Short-term unused vacation liability	178.634.787	131.618.615
	<b>178.634.787</b>	<b>131.618.615</b>

The movement of for unused vacation liability for the periods ended 30 September 2023 and 2022 is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Opening balance at 1 January	285.523.732	109.826.996
Charge for the period	191.214.988	93.754.946
Payments (-)	(84.497.863)	(26.348.839)
<b>Closing balance at 30 September</b>	<b>392.240.857</b>	<b>177.233.103</b>

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**17. EMPLOYEE BENEFITS (Continued)**

**Provisions for long-term employee benefits:**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Long-term unused vacation liability	213.606.070	153.905.117
Retirement pay provision	194.508.821	147.949.594
	<b>408.114.891</b>	<b>301.854.711</b>

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 23.489,83 for each period of service at 30 September 2023 (31 December 2022: TL 15.371,40).

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

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. Consequently, in the accompanying financial statements as at 30 September 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 17,64% and a discount rate of 19,40%, resulting in a real discount rate of approximately 1,50% (31 December 2022: 1,50%). Ceiling amount of TL 23.489,83 which is in effect since 1 October 2023 is used in the calculation of Groups' provision for retirement pay liability (1 October 2022: TL 15.371,40). The turnover rates to estimate the probability of retirement are taken as 92,53% and 43,58% for white collar and blue collar personnel.

Movement for retirement pay provision for the periods ended 30 September 2023 and 2022 is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Provision at 1 January	147.949.594	39.973.528
Service cost	20.742.915	84.715.621
Interest cost	22.525.095	1.108.774
Termination benefits paid	(143.910.295)	(48.201.660)
Actuarial gains / (loss)	147.201.512	(466.106)
<b>Provision at 30 September</b>	<b>194.508.821</b>	<b>77.130.157</b>

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**18. EXPENSE BY NATURE**

<b>Expenses by nature</b>	<b>1 January - 30 September 2023</b>	<b>1 July - 30 September 2023</b>	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>
Cost of sales	(57.390.037.990)	(22.353.075.630)	(30.915.241.267)	(13.011.825.816)
Personnel expenses	(7.989.733.713)	(3.284.958.484)	(3.736.129.229)	(1.579.501.289)
Utility expenses	(1.838.961.610)	(677.880.620)	(1.200.997.187)	(649.933.325)
Depreciation and amortization expenses (Note 11, 12, 13) (*)	(1.211.914.434)	(453.831.263)	(806.320.933)	(297.987.111)
Transportation expenses	(1.068.730.927)	(508.250.569)	(705.544.770)	(287.905.348)
Rent expenses	(387.561.606)	(151.255.536)	(157.766.171)	(74.101.931)
Advertising expenses	(259.787.954)	(120.851.590)	(139.620.509)	(51.982.743)
Tax expenses and duties	(168.280.483)	(44.311.470)	(98.061.495)	(36.232.168)
Vehicle expenses	(155.532.969)	(70.197.022)	(81.580.851)	(32.129.332)
Maintenance expenses	(108.635.486)	(43.628.623)	(38.232.197)	(61.211)
Outsourced expenses	(85.868.627)	(36.333.859)	(34.405.617)	(11.262.574)
Cash collection expenses	(60.479.652)	(25.365.933)	(34.444.871)	(8.994.075)
Packaging expenses	(40.490.139)	(16.185.479)	(23.092.257)	(8.431.819)
Information technology expenses	(19.335.554)	(8.439.402)	(8.144.492)	(3.539.161)
Other expenses	(311.633.367)	(126.410.573)	(169.058.793)	(33.943.591)
	<b><u>(71.096.984.511)</u></b>	<b><u>(27.920.976.053)</u></b>	<b><u>(38.148.640.639)</u></b>	<b><u>(16.087.831.494)</u></b>

(\*) TFRS 16 standard started to be implemented as of 1 January 2019. Excluding the related standard effect for the period from 1 January to 30 September 2023, depreciation and amortization expenses are TL 430.710.691 and rental expenses are TL 1.931.109.840 (2022: Depreciation and amortization expense: TL 307.715.972, rental expenses: TL 1.142.471.322).

**19. OTHER ASSETS AND LIABILITIES**

<b>Other current assets</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
VAT deductible	299.130.478	403.670.683
Prepaid taxes and funds	6.232.998	3.093.746
Other assets	3.833.435	1.510.017
	<b><u>309.196.911</u></b>	<b><u>408.274.446</u></b>
<b>Other short-term liabilities</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Taxes and dues payable	137.395.640	94.743.113
Other liabilities (*)	105.567.802	42.752.164
	<b><u>242.963.442</u></b>	<b><u>137.495.277</u></b>

(\*) TL 71.825.554 of the amount is related to Recovery Participation Share ("GEKAP") liabilities (31 December 2022: TL 32.466.974).

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**20. CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

Shareholder structure as of 30 September 2023 and 31 December 2022 is stated below:

<b>Shareholders</b>	<b>%</b>	<b>30 September 2023</b>	<b>%</b>	<b>31 December 2022</b>
Turkish Retail Investments B.V.	24	144.000.000	24	144.000.000
Gözde Girişim Sermayesi Yat. Ort. A.Ş.	24	140.400.327	24	140.400.327
European Bank For Reconsrtruction and Development	6	33.950.000	6	33.950.000
Small Cap World Fund Inc	--	--	5	31.602.962
İstanbul Portföy Yıldız Serbest Özel Fon	5	30.428.571	5	30.428.571
Yıldız Holding A.Ş.	1	3.000.000	1	3.000.000
Free Float and other	40	241.511.110	35	209.908.148
<b>Nominal Capital</b>	<b>100</b>	<b>593.290.008</b>	<b>100</b>	<b>593.290.008</b>
Capital Commitments		--		--
<b>Paid Capital</b>		<b>593.290.008</b>		<b>593.290.008</b>

The Group's nominal capital has been divided into 593.290.008 registered shares with a par value of TL 1 per share (31 December 2022: 593.290.008 shares).

***Restricted Reserves***

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

As of 30 September 2023 restricted reserves is TL 41.693.836 (31 December 2022: TL 8.919.271).

***Actuarial Loss / Gain***

As of 30 September 2023, actuarial loss / gain is negative TL 245.438.431 (31 December 2022: negative TL 23.336.571).

***Effect of transactions under common control***

As of 30 September 2023, effect of mergers involving undertakings or businesses subject to common control is negative TL 567.113.629 (31 December 2022: negative TL 567.113.629) (Note 3).

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**21. REVENUE AND COST OF SALES**

As of 30 September 2023 and 2022 the sales of Group are as follows:

<b>a) Revenue</b>	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
Revenue from merchandises sold	76.110.368.489	30.127.197.586	41.210.442.731	17.340.600.156
Sales returns (-)	(1.063.491.769)	(459.637.579)	(567.391.416)	(242.846.771)
<b>Net sales</b>	<b>75.046.876.720</b>	<b>29.667.560.007</b>	<b>40.643.051.315</b>	<b>17.097.753.385</b>
<b>b) Cost of Sales</b>	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
Cost of Sales	(57.390.037.990)	(22.353.075.630)	(30.915.241.267)	(13.011.825.816)
	<b>(57.390.037.990)</b>	<b>(22.353.075.630)</b>	<b>(30.915.241.267)</b>	<b>(13.011.825.816)</b>

**22. MARKETING, SELLING AND GENERAL ADMINISTRATIVE EXPENSES**

<b>Marketing and sales expenses</b>	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
Personnel expenses	(7.719.438.216)	(3.133.957.496)	(3.570.524.244)	(1.521.036.432)
Utility expenses	(1.838.961.610)	(677.880.620)	(1.200.997.187)	(649.933.325)
Depreciation and amortization expenses (Note:11, 12, 13)(*)	(1.207.510.710)	(452.231.825)	(803.214.501)	(296.822.398)
Transportation expenses	(1.068.730.927)	(508.250.569)	(705.544.770)	(287.905.348)
Rent expenses (*)	(383.977.123)	(149.839.924)	(155.975.213)	(73.439.843)
Advertising expenses	(259.787.954)	(120.851.590)	(139.620.509)	(51.982.743)
Tax expenses and duties	(165.229.028)	(42.940.042)	(96.450.596)	(35.204.717)
Vehicle expenses	(150.306.332)	(68.021.671)	(77.881.299)	(30.755.622)
Maintenance expenses	(108.635.486)	(43.628.623)	(38.232.197)	(61.211)
Packaging expenses	(40.490.139)	(16.185.479)	(23.092.257)	(8.431.819)
Other marketing and sales expenses	(298.399.985)	(122.958.624)	(164.459.708)	(30.113.153)
	<b>(13.241.467.510)</b>	<b>(5.336.746.463)</b>	<b>(6.975.992.481)</b>	<b>(2.985.686.611)</b>

(\*) TFRS 16 standard started to be implemented as of 1 January 2019. Excluding the related standard effect for the period from 1 January to 30 September 2023, depreciation and amortization expenses are TL 426.306.967 and rental expenses are TL 1.927.525.357 (2022: Depreciation and amortization expense: TL 304.609.540, rental expenses: TL 1.140.680.364).

<b>General administrative expenses</b>	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
Personnel expenses	(270.295.497)	(151.000.988)	(165.604.985)	(58.464.857)
Outsourced expenses	(85.868.627)	(36.333.859)	(34.405.617)	(11.262.574)
Cash collection expenses	(60.479.652)	(25.365.933)	(34.444.871)	(8.994.075)
Information technology expenses	(19.335.554)	(8.439.402)	(8.144.492)	(3.539.161)
Vehicle expenses	(5.226.637)	(2.175.351)	(3.699.552)	(1.373.710)
Amortization expenses (Note 12)	(4.403.724)	(1.599.438)	(3.106.432)	(1.164.713)
Rent expenses	(3.584.483)	(1.415.612)	(1.790.958)	(662.088)
Tax expenses and duties	(3.051.455)	(1.371.428)	(1.610.899)	(1.027.451)
Other administrative expenses	(13.233.382)	(3.451.949)	(4.599.085)	(3.830.438)
	<b>(465.479.011)</b>	<b>(231.153.960)</b>	<b>(257.406.891)</b>	<b>(90.319.067)</b>

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**23. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

For the periods ended on 30 September 2023 and 2022, other income from operating activities is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
<b>Other operating income</b>				
Foreign exchange from operating activities	139.230.534	40.210.655	33.191.455	9.371.340
Unused provision (Note 7)	69.026	8.000	93.856	14.554
Other income (*)	435.331.049	289.038.301	--	--
	<b>574.630.609</b>	<b>329.256.956</b>	<b>33.285.311</b>	<b>9.385.894</b>

(\*) It is the income related to the compensation of the earthquake-related damage and the transaction that was paid to the Competition Authority but restructured within the scope of "Law No. 7440 on Restructuring of Certain Receivables and Amending Certain Laws" (1 January - 30 September 2022: None).

For the periods ended on 30 September 2023 and 2022, other expenses from operating activities is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
<b>Other operating expense</b>				
Financial income from credit COGS	(370.285.993)	(134.339.946)	(281.693.301)	(100.082.711)
Provision expense (Note 15)	(167.266.051)	(78.508.051)	(64.150.091)	(25.802.392)
Foreign loss from operating activities	(32.854.683)	(18.104.181)	(19.528.995)	(1.140.191)
Allowance for doubtful receivables (Note 7)	(2.800)	--	(18.770)	--
Other expenses (-)	(83.834.073)	(53.373.939)	(27.977.349)	(9.387.291)
	<b>(654.243.600)</b>	<b>(284.326.117)</b>	<b>(393.368.506)</b>	<b>(136.412.585)</b>

**24. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

For periods ended on 30 September 2023 and 2022, income from investment activities is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
<b>Income from investing activities</b>				
Interest income	167.715.972	122.399.852	84.769.293	21.507.846
Gain on sale of property and equipment	58.849	9.012	253.894	251.411
	<b>167.774.821</b>	<b>122.408.864</b>	<b>85.023.187</b>	<b>21.759.257</b>

For the periods ended on 30 September 2023 and 2022, expenses from investment activities are as follows:

	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
<b>Expenses from investing activities</b>				
Loss on sale of property and equipment	(356.637)	(227.771)	(913.936)	(277.971)
	<b>(356.637)</b>	<b>(227.771)</b>	<b>(913.936)</b>	<b>(277.971)</b>



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**25. FINANCIAL EXPENSES AND INCOME**

For the periods ended 30 September 2023 and 2022 financial expenses are as follows:

<b>Financial Expenses</b>	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
Financial expenses arises from lease liabilities (*)	(938.290.325)	(356.900.430)	(614.254.706)	(231.741.660)
POS collection expenses	(432.577.392)	(221.221.980)	(215.693.246)	(89.597.856)
Interest expense from related parties (Note 27)	(9.580.379)	(6.920.420)	(6.310.118)	(3.195.219)
Other	(30.595.988)	(11.000.630)	(6.625.885)	(2.738.039)
	<b><u>(1.411.044.084)</u></b>	<b><u>(596.043.460)</u></b>	<b><u>(842.883.955)</u></b>	<b><u>(327.272.774)</u></b>

(\*) Lease liabilities interest expense is the interest calculated on lease liabilities within the scope of TFRS 16.

**26. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

	<b>30 September 2023</b>	<b>31 December 2022</b>
Current corporate tax provision	(426.122.437)	(181.076.364)
Less:Prepaid tax and funds	157.359.702	174.434.596
	<b><u>(268.762.735)</u></b>	<b><u>(6.641.768)</u></b>

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods.

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

The effective tax rate in 2023 is 25% (2022: 23%) for the Group.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2023 is 25%. (2022: 23%) Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

In accordance with Article 21 of the "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Amending Certain Laws and Decree Law No. 375" published in the Official Gazette dated 15 July 2023 and numbered 32249 the first paragraph of Article 32 of the Corporate Tax Law No. 5520 has been amended as follows: "In so far, corporate tax is collected at the rate of 30% on the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies." Article 21 of the Law, starting from the declarations that must be submitted as of 1/10/2023; it entered into force on the date of its publication to be applied to the earnings of corporations in 2023 and the following taxation periods, and to the earnings of corporations subject to the special accounting period, starting in the 2023 calendar year and the following taxation periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments in Turkey. Companies file their tax returns between 1-30 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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**26. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))***Deferred tax:*

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for TFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with TFRS and tax legislation.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	<b>Temporary Differences</b>		<b>Deferred Tax</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b><u>Deferred tax assets / (liabilities) :</u></b>				
Carryforward tax losses	19.523.488	--	4.880.872	--
The effect of amortization of property and equipment and intangible assets	3.219.618.136	2.485.809.600	804.904.534	497.161.920
The effect of lease liability and right of use asset	815.499.348	656.090.325	203.874.837	131.218.065
Inventory	1.075.007.812	663.581.785	268.751.953	132.716.357
Provision for retirement payments	194.509.089	147.949.594	48.627.272	29.629.989
Unused vacation liability	392.240.861	285.523.732	98.060.215	57.125.603
Effect of amortized cost method on receivables and payables	(73.041.936)	(59.991.910)	(18.260.484)	(11.998.382)
Provision for legal claims	352.896.368	200.898.353	88.224.092	40.495.735
Other	(420.416.248)	(125.824.525)	(105.104.062)	(25.164.905)
	<b><u>5.575.836.918</u></b>	<b><u>4.254.036.954</u></b>	<b><u>1.393.959.229</u></b>	<b><u>851.184.382</u></b>

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**26. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))**

The movement of deferred tax liability for the periods ended as of 30 September 2023 and 2022 is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
<b><u>Movement of deferred tax asset:</u></b>		
Opening balance at 1 January	851.184.382	232.641.139
Deferred tax expense recognised in statement of profit or loss	468.769.507	557.194.972
Recognised in other comprehensive income	74.005.340	(93.470)
<b>Closing balance at 30 September</b>	<b><u>1.393.959.229</u></b>	<b><u>789.742.641</u></b>

The amounts reflected in comprehensive statement of profit or loss of the periods ended at 30 September 2023 and 2022 are as follows:

	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Current period legal tax	(426.122.437)	(127.322.983)
Deferred tax (expense) / income	468.769.507	557.194.972
<b>Total tax (expense) / income</b>	<b><u>42.647.070</u></b>	<b><u>429.871.989</u></b>
<b><u>Tax reconciliation:</u></b>		
Profit / (loss) before taxation	2.626.653.318	1.375.552.777
	25,00%	23,00%
<b>Tax at the domestic income tax rate of 25% (2022: 23%)</b>	<b><u>(656.663.330)</u></b>	<b><u>(316.377.139)</u></b>
Tax effects of:		
- Expenses that are not deductible	(95.220.997)	(34.801.204)
- Discounts and exclusions	41.337.000	--
- Increase in tax base under tax amnesty	4.880.872	--
- The effect of the revaluation of tangible and intangible assets (*)	513.145.033	762.619.748
- Tax rate charge effect	85.224.488	25.130.227
- Other	149.944.004	(6.699.643)
<b>Tax income recognised in profit or loss</b>	<b><u>42.647.070</u></b>	<b><u>429.871.989</u></b>

(\*) The Group revalued its tangible and intangible assets and their depreciation as of 30 September 2023, within the scope of the Tax Procedure Law General Communiqué (Sequence No: 530) published by the Ministry of Treasury and Finance. Due to TFRS, related assets are continued to be accounted under cost method. It has calculated the deferred tax asset/liability, which is currently calculated over the temporary difference between TFRS and TPL, over the current TPL values that will occur with the effect of revaluation, and the deferred tax income that will arise due to this application, to the extent that the recovery of the said tax advantage is deemed possible, is calculated as a single income tax accounted for in the table. As of 30 September 2023, the effect of tax is TL 513.145.033.

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**27. RELATED PARTY BALANCES AND TRANSACTIONS**

Balances with related parties	30 September 2023			
	Receivables		Payables	
	Current		Current	
	Trading	Non-trading	Trading	Non-trading
<b>Shareholders</b>				
Yıldız Holding A.Ş.	--	--	9.620.297	--
<b>Related parties</b>				
Bizim Toptan Satış Mağazaları A.Ş.	102.492.743	--	--	--
Azmüsebat Çelik San. Tic. A.Ş.	10.677.407	--	--	--
Ülker Bisküvi San. A.Ş.	4.838.192	--	--	--
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	--	--	515.494.988	--
Aytaç Gıda Yatırım San. Tic. A.Ş.	--	--	24.203.259	--
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	--	--	22.467.605	--
İzsal Gayrimenkul Geliştirme A.Ş.	--	--	14.017.352	--
Future Teknoloji Ticaret A.Ş.	--	--	8.703.509	--
Kerevitaş Gıda San. ve Tic. A.Ş.	--	--	7.627.357	--
Adapazarı Şeker Fabrikası A.Ş.	--	--	5.656.000	--
Nesos Gıda San. ve Tic. A.Ş.	--	--	4.407.840	--
Sağlam İnşaat Taahhüt Tic. A.Ş.	--	--	1.682.177	--
Biskot Bisküvi Gıda San. Ve Tic. A.Ş.	--	--	1.149.435	--
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	--	--	891.887	--
Other	406.552	--	521.860	--
	<b>118.414.894</b>	<b>--</b>	<b>616.443.566</b>	<b>--</b>
<b>31 December 2022</b>				
Balances with related parties	Receivables		Payables	
	Current		Current	
	Trading	Non-trading	Trading	Non-trading
<b>Shareholders</b>				
Yıldız Holding A.Ş.	--	--	10.261.716	--
<b>Related parties</b>				
Bizim Toptan Satış Mağazaları A.Ş.	95.328.877	--	--	--
Ülker Çikolata Sanayi A.Ş.	3.525.428	--	--	--
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	930.296	--	--	--
Biskot Bisküvi Gıda San. Ve Tic. A.Ş.	534.493	--	1.231.030	--
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	87.733	--	--	--
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	--	--	584.524.319	--
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	--	--	156.665.536	--
Aytaç Gıda Yatırım San. Tic. A.Ş.	--	--	21.826.624	--
Kerevitaş Gıda San. ve Tic. A.Ş.	--	--	12.208.807	--
İzsal Gayrimenkul Geliştirme A.Ş.	--	--	6.159.626	--
Azmüsebat Çelik San. Tic. A.Ş.	--	--	5.060.458	--
Sağlam İnşaat Taahhüt Tic. A.Ş.	--	--	683.847	--
Sun Doğal Gıda ve Ambalaj Sanayi A.Ş.	--	--	379.526	--
Other	47.547	--	845.908	--
	<b>100.454.374</b>	<b>--</b>	<b>799.847.397</b>	<b>--</b>

Receivables from related parties result from sales. Major portion of the Group's liabilities to related parties comprise of the liabilities from merchandise purchases.

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**27. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)**

<b>1 Ocak - 30 September 2023</b>				
<b>Transactions with related parties</b>	<b>Purchases</b>	<b>Finance expenses paid</b>	<b>Other income</b>	<b>Other expense</b>
<b><u>Shareholders</u></b>				
Yıldız Holding A.Ş.	--	(9.580.379)	91.139	(34.874.920)
<b><u>Related parties</u></b>				
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	2.531.174.643	--	3.137.208	--
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	981.402.723	--	89.347.401	--
Kerevitaş Gıda San. ve Tic. A.Ş.	173.751.213	--	10.988.415	--
Aytaç Gıda Yatırım San. Tic. A.Ş.	123.227.546	--	6.916.565	--
Azmüsebat Çelik San. Tic. A.Ş.	38.125.253	--	5.496.009	--
Nesos Gıda San. ve Tic. A.Ş.	14.745.304	--	31.275	--
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	2.125.446	--	696.499	--
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	322.551	--	1.782.700	(1.000)
Bizim Toptan Satış Mağazaları A.Ş.	66.992	--	427.321.648	--
Penta Teknoloji Ürünleri Dağıtım Tic. A.Ş.	24.747	--	242.238	(28.657)
İzsal Gayrimenkul Geliştirme A.Ş.	3.041	--	151.460	(43.040.864)
Marsa Yağ San. ve Tic. A.Ş.	412	--	71.652	--
Polinas Plastik San. Tic. A.Ş.	--	--	798.743	--
Biskot Bisküvi Gıda San. Ve Tic. A.Ş.	--	--	1.858.571	(3.294.245)
Future Teknoloji Ticaret A.Ş.	--	--	47.749.810	--
Ülker Bisküvi San. A.Ş.	--	--	4.570.734	(15.000)
Sağlam İnşaat Taahhüt Tic. A.Ş.	--	--	148.780	(10.914.282)
Other	--	--	760.933	(1.490.630)
	<b>3.864.969.871</b>	<b>(9.580.379)</b>	<b>602.161.780</b>	<b>(93.659.598)</b>
<b>1 Ocak - 30 September 2022</b>				
<b>Transactions with related parties</b>	<b>Purchases</b>	<b>Finance expenses paid</b>	<b>Other income</b>	<b>Other expense</b>
<b><u>Shareholders</u></b>				
Yıldız Holding A.Ş.	--	(6.303.729)	43.351	(16.072.836)
<b><u>Related parties</u></b>				
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	1.515.730.587	--	--	--
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	630.905.383	--	15.445.708	--
Kerevitaş Gıda San. ve Tic. A.Ş.	112.911.807	--	4.258.261	--
Aytaç Gıda Yatırım San. Tic. A.Ş.	61.729.337	--	2.064.688	--
Azmüsebat Çelik San. Tic. A.Ş.	19.967.464	--	1.546.477	--
Bizim Toptan Satış Mağazaları A.Ş.	11.859.321	--	251.685.552	--
Most Bilgi Sistemleri Tic. A.Ş.	--	--	36.000	(23.727.112)
Sağlam İnşaat Taahhüt Tic. A.Ş.	--	--	85.427	(4.510.357)
İzsal Gayrimenkul Geliştirme A.Ş.	--	--	19.741	(1.199.096)
Biskot Bisküvi Gıda San. Ve Tic. A.Ş.	--	--	665.931	(2.112.522)
Dank Gıda San. ve Tic. A.Ş.	--	--	66.543	(500.204)
MTR Turizm Yatırımları A.Ş.	--	--	--	(598.131)
Ülker Bisküvi San. A.Ş.	--	--	1.770.934	--
Ülker Çikolata Sanayi A.Ş.	--	--	1.377.405	--
Other	153.728	--	1.765.915	(989.154)
	<b>2.353.257.627</b>	<b>(6.303.729)</b>	<b>280.831.933</b>	<b>(49.709.412)</b>

The total amount of benefits for the key management personnel in the current period is as follows:

	<b>1 January- 30 September 2023</b>	<b>1 January- 30 September 2022</b>
Salaries and other short-term benefits	33.626.011	20.149.711
	<b>33.626.011</b>	<b>20.149.711</b>

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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS**

**(a) Capital Risk Management**

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

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 6, other receivables from related parties and other payables to related parties disclosed in Note 27, cash and cash equivalents disclosed in Note 5 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 20.

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

As of 30 September 2023 and 31 December 2022 net debt / total capital ratio is as follows:

	<b>30 September 2023</b>	<b>31 December 2022</b>
Total borrowings (*) (Note 6)	--	--
Less: Cash and cash equivalents (Note 5)	(3.774.165.083)	(859.080.628)
<b>Net debt</b>	<b>(3.774.165.083)</b>	<b>(859.080.628)</b>
Total equity	5.012.634.537	2.865.436.009
<b>Total capital</b>	<b>1.238.469.454</b>	<b>2.006.355.381</b>
<b>Gearing ratio</b>	<b>0%</b>	<b>0%</b>

(\*) Effect of TFRS 16 and trade payables are not included.

**(b) Financial Risk Factors:**

The Group's corporate treasury function provides services to the business, coordinates access to domestic markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risk. These risks include market risk (including currency risk, fair value interest rate risk and price risk) credit risk, liquidity risk and cash flow interest rate risk.

The treasury department presents the financial and risk positions of the Group and how to reduce financial risks of the Group to the Board of Directors three times a year and sends monthly reports of its financial position to the main shareholders.

**(c) Credit Risk Management**

Credit risk refer to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Receivables arising from sales consists of credit card slips. Since the customers are final consumers, the Group has no risk for credit card slip receivables.

The risk arised from the advances and deposits given in order to make investments by the Group, is under control by obtaining letter of guarantees from various banks. Based on the Group policy, the Group does not pay any advance or deposits without obtaining a letter of guarantee from banks.

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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)**

(c) Credit Risk Management (Continued)

**The credit risks exposed because of financial instrument types**

	<b>Receivables</b>				
	<b>Trade receivables</b>		<b>Other Receivables</b>		<b>Deposits in banks</b>
<b>30 September 2023</b>	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>	
Maximum net credit risk as of balance sheet date (i)	118.414.894	15.561.580	--	264.446.858	3.197.058.918
The part of maximum risk under guarantee with collateral (ii)	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets	86.674.048	9.942.657	--	264.446.858	3.197.058.918
B. Book value of restructured otherwise accepted as past due and impaired financial assets	--	--	--	--	--
C. Net book value of past due but not impaired assets	31.740.846	5.618.923	--	--	--
D. Impaired asset net book value					
- Past due (gross amount)	--	8.658.029	--	--	--
- Impairment (-)	--	(8.658.029)	--	--	--
- Net value collateralized or guaranteed part of net value	--	--	--	--	--
- Not over due (gross amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Net value collateralized or guaranteed part of net value	--	--	--	--	--
E. Off-balance sheet items bearing credit risk	--	--	--	--	--

(i) The factors that increase the credit reliability such as guarantees received are not considered in the balance.

(ii) Except for, there is a credit card receivable amounting to TL 233.813.106 which holds no credit risk.

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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)**

(c) Credit Risk Management (Continued)

**The credit risks exposed because of financial instrument types**

	<b>Receivables</b>				
	<b>Trade receivables</b>		<b>Other Receivables</b>		<b>Deposits in banks</b>
<b>31 December 2022</b>	<b>Related Party</b>	<b>Other</b>	<b>Related Party</b>	<b>Other</b>	
Maximum net credit risk as of balance sheet date (i)	100.454.374	35.521.391	--	240.824.519	407.035.281
The part of maximum risk under guarantee with collateral (ii)	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets	100.454.374	(344.365)	--	240.824.519	407.035.281
B. Book value of restructured otherwise accepted as past due and impaired financial assets	--	--	--	--	--
C. Net book value of past due but not impaired assets	--	35.865.756	--	--	--
D. Impaired asset net book value	--	--	--	--	--
- Past due (gross amount)	--	8.724.255	--	--	--
- Impairment (-)	--	(8.724.255)	--	--	--
- Net value collateralized or guaranteed part of net value	--	--	--	--	--
- Not over due (gross amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Net value collateralized or guaranteed part of net value	--	--	--	--	--
E. Off-balance sheet items bearing credit risk	--	--	--	--	--

(i) The factors that increase the credit reliability such as guarantees received are not considered in the balance.

(ii) Except for, there is a credit card receivable amounting to TL 235.425.200 which holds no credit risk.



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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)**

## (c) Credit Risk Management (Continued)

Aging of overdue receivables as 30 September 2023 and 2022 is as follows:

	<b>Receivables</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>
Overdue between 1-30 days	13.703.631	23.991.506
Overdue between 1-3 Months	23.037.016	2.283.836
Overdue between 3-12 Months	619.122	9.590.414
<b>Total overdue receivables</b>	<b>37.359.769</b>	<b>35.865.756</b>
<b>The portion of under guarantee with collateral etc</b>	<b>--</b>	<b>--</b>

## (d) Liquidity risk management:

Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity Risk Tables

The following table details the Group's expected maturity for its non-derivative financial liabilities and prepared with the assumption that the liabilities will be paid as soon as they mature. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets.

The maturities estimated by the Group are same as the maturities on agreements

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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)**

(d) Liquidity risk management (Continued)

<b>30 September 2023</b>		<b><u>Contractual</u></b>				
	<b><u>Book value</u></b>	<b><u>undiscounted cash</u></b>	<b><u>Up to 3 months (I)</u></b>	<b><u>3-12</u></b>	<b><u>1-5 years (III)</u></b>	<b><u>Over 5 years (IV)</u></b>
<b>Financial liabilities</b>		<b><u>flow (I+II+III+IV)</u></b>		<b><u>months (II)</u></b>		
Lease liabilities	5.643.990.786	11.665.332.211	587.005.941	1.617.917.339	6.433.986.818	3.026.422.113
Trade payables	14.435.461.129	14.508.503.064	14.508.503.064	--	--	--
Other payables	20.549.381	20.549.381	--	20.042.610	506.771	--
<b>Total liability</b>	<b>20.100.001.296</b>	<b>26.194.384.656</b>	<b>15.095.509.005</b>	<b>1.637.959.949</b>	<b>6.434.493.589</b>	<b>3.026.422.113</b>

  

<b>31 December 2022</b>		<b><u>Contractual</u></b>				
	<b><u>Book value</u></b>	<b><u>undiscounted cash</u></b>	<b><u>Up to 3 months (I)</u></b>	<b><u>3-12</u></b>	<b><u>1-5 years (III)</u></b>	<b><u>Over 5 years (IV)</u></b>
<b>Financial liabilities</b>		<b><u>flow (I+II+III+IV)</u></b>		<b><u>months (II)</u></b>		
Lease liabilities	4.275.830.241	8.644.285.648	373.896.783	1.188.046.840	4.797.176.036	2.285.165.989
Trade payables	10.269.151.517	10.329.143.429	10.329.143.429	--	--	--
Other payables	932.930	932.930	--	610.312	322.618	--
<b>Total liability</b>	<b>14.545.914.688</b>	<b>18.974.362.007</b>	<b>10.703.040.212</b>	<b>1.188.657.152</b>	<b>4.797.498.654</b>	<b>2.285.165.989</b>

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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)****(e) Market Risk Management**

The Group's activity is subject to very limited financial risks of changes in foreign currency exchange rates.

Market risk exposures of the Group are measured using sensitivity analysis.

In the current period there has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

**Foreign currency risk management**

Transactions in foreign currencies expose the Group to foreign currency risk. The Group does not use any derivative instruments to preserve its foreign currency risk as a result of its major transactions and cash flows.

The detail by foreign currency of the Group's monetary assets and liabilities with foreign currencies as below:

<b>30 September 2023</b>	<b>TL Equivalent ( Functional Currency)</b>	<b>US Dollar</b>	<b>Euro</b>	<b>GBP</b>
Monetary financial assets	1.226.483.938	20.085.126	23.296.985	8.851
<b>CURRENT ASSETS</b>	<b>1.226.483.938</b>	<b>20.085.126</b>	<b>23.296.985</b>	<b>8.851</b>
Monetary financial assets	--	--	--	--
<b>NON-CURRENT ASSETS</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL ASSETS</b>	<b>1.226.483.938</b>	<b>20.085.126</b>	<b>23.296.985</b>	<b>8.851</b>
Trade payables	(34.447.656)	(975.251)	(266.909)	--
<b>CURRENT LIABILITIES</b>	<b>(34.447.656)</b>	<b>(975.251)</b>	<b>(266.909)</b>	<b>--</b>
Monetary other liabilities	--	--	--	--
<b>NON-CURRENT LIABILITIES</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL LIABILITIES</b>	<b>(34.447.656)</b>	<b>(975.251)</b>	<b>(266.909)</b>	<b>--</b>
Net foreign currency position	1.192.036.282	19.109.875	23.030.076	8.851
Monetary items net foreign currency asset / liability position	1.192.036.282	19.109.875	23.030.076	8.851

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**28. NATURE AND LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (Continued)**

(e) Market Risk Management (Continued)

**Foreign currency risk management (Continued)**

<b>31 December 2022</b>	<b>TL Equivalent ( Functional Currency)</b>	<b>US Dollar</b>	<b>Euro</b>	<b>GBP</b>
Monetary financial assets	14.625.602	452.618	307.023	1.865
<b>CURRENT ASSETS</b>	<b>14.625.602</b>	<b>452.618</b>	<b>307.023</b>	<b>1.865</b>
Monetary financial assets	--	--	--	--
<b>NON-CURRENT ASSETS</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL ASSETS</b>	<b>14.625.602</b>	<b>452.618</b>	<b>307.023</b>	<b>1.865</b>
Trade payables	(48.271.630)	(1.429.178)	(1.080.940)	--
<b>CURRENT LIABILITIES</b>	<b>(48.271.630)</b>	<b>(1.429.178)</b>	<b>(1.080.940)</b>	<b>--</b>
Monetary other liabilities	--	--	--	--
<b>NON-CURRENT LIABILITIES</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL LIABILITIES</b>	<b>(48.271.630)</b>	<b>(1.429.178)</b>	<b>(1.080.940)</b>	<b>--</b>
Net foreign currency position	(33.646.028)	(976.560)	(773.917)	1.865
Monetary items net foreign currency asset / liability position	(33.646.028)	(976.560)	(773.917)	1.865

Foreign currency sensitivity

The Group undertakes certain transactions denominated in US Dollar hence exposures to certain exchange rate fluctuations arise. As of 30 September 2023, a 20% strengthening of US Dollar against the TL, on the basis that all other variables remain constant, would have decreased profit before taxation by TL 104.633.063 (decreased 31 December 2022: TL 3.652.002).

The Group undertakes certain transactions denominated in Euro hence exposures to certain exchange rate fluctuations arise. As of 30 September 2023, a 20% strengthening of Euro against the TL, on the basis that all other variables remain constant, would have would have decreased profit before taxation by TL 133.714.924 (decreased 31 December 2022: TL 3.085.592).

Interest rate sensitivity

The Group is not subject to interest rate risk, as the Group does not have any floating rate liability.

Other price risks

The Group does not hold equity investments or liability like bond / stocks etc. which can be exposed to price changes.

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**29. FINANCIAL INSTRUMENTS**

Categories of financial instruments:

**Categories of financial instruments and fair values****30 September 2023****Financial assets**

	<u>Amortized Cost</u>	<u>Carrying value</u>	<u>Note</u>
Cash and cash equivalents	3.774.165.083	3.774.165.083	5
Trade receivables (including related parties)	133.976.474	133.976.474	7
Other receivables (including related parties)	264.446.858	264.446.858	8

**Financial liabilities**

Lease liabilities	5.643.990.786	5.643.990.786	6
Trade payables (including related parties)	14.435.461.129	14.435.461.129	7
Other liabilities (including related parties)	20.549.381	20.549.381	8

**31 December 2022****Financial assets**

	<u>Amortized Cost</u>	<u>Carrying value</u>	<u>Note</u>
Cash and cash equivalents	859.080.628	859.080.628	5
Trade receivables (including related parties)	135.975.765	135.975.765	7
Other receivables (including related parties)	240.824.519	240.824.519	8

**Financial liabilities**

Lease liabilities	4.275.830.241	4.275.830.241	6
Trade payables (including related parties)	10.269.151.517	10.269.151.517	7
Other liabilities (including related parties)	932.930	932.930	8

The Group management considers that the carrying values of financial instruments reflect their fair value.

**30. EARNINGS PER SHARE**

As of 30 September 2023 and 2022 earnings per share calculation is as follows:

	<u>1 January- 30 September 2023</u>	<u>1 January- 30 September 2022</u>
<b>Earnings per share</b>		
Average number of shares during the period (full value)	593.290.008	593.290.008
Net Profit for the period attributable to equity holder of the parents	2.669.300.388	1.805.424.766
<b>Earnings per share</b>	<b>4,4991</b>	<b>3,0431</b>

**31. EVENTS AFTER THE REPORTING PERIOD**

None.

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**SUPPLEMENTARY INFORMATION**

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**SUPPLEMENTARY INFORMATION****APPENDIX-1 - EBITDA**

The supporting information not required by TFRS is considered important for the Group's financial performance by the Group management and the calculation of EBITDA (earnings before interest, tax, depreciation and amortization) is presented below. The Group calculates the adjusted EBITDA (earnings before interest, tax, depreciation and amortization, other income) for the better understanding of investors and other interested parties about Group operations.

	<b>1 January- 30 September 2023</b>	<b>1 July- 30 September 2023</b>	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>
<b>Profit for the period</b>	<b>2.669.300.388</b>	<b>1.378.691.782</b>	<b>1.805.424.766</b>	<b>1.195.158.273</b>
Tax income	42.647.070	61.039.356	429.871.989	618.054.561
<b>Profit before taxation</b>	<b>2.626.653.318</b>	<b>1.317.652.426</b>	<b>1.375.552.777</b>	<b>577.103.712</b>
Financial expense	(1.411.044.084)	(596.043.460)	(842.883.955)	(327.272.774)
Income / (expense) from investment activities, net	167.418.184	122.181.093	84.109.251	21.481.286
Amortization and depreciation	(1.211.914.434)	(453.831.263)	(806.320.933)	(297.987.111)
Other income / (expense), net	(79.612.991)	44.930.839	(360.083.195)	(127.026.691)
<b>EBITDA</b>	<b>5.161.806.643</b>	<b>2.200.415.217</b>	<b>3.300.731.609</b>	<b>1.307.909.002</b>
TFRS 16 Effect	1.543.548.234	581.498.458	984.705.151	366.953.953
<b>EBITDA excluding TFRS 16</b>	<b>3.618.258.409</b>	<b>1.618.916.759</b>	<b>2.316.026.458</b>	<b>940.955.049</b>

Such financial information are presented for informational purposes and are not an integral part of the consolidated financial statements.

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**APPENDIX-2 – CONSOLIDATED FINANCIAL STATEMENTS BEFORE TFRS 16****TFRS 16 Leases**

The effects of TFRS 16 lease standard on the Group's consolidated financial statements are presented below:

<b>ASSETS</b>			
	<b>30 September 2023</b>	<b>TFRS 16 Effect</b>	<b>Before TFRS 16</b>
<b>Current Asset</b>			
Prepaid expenses	32.120.398	(4.712.649)	36.833.047
<b>Total Current Assets</b>	<b>17.006.218.123</b>	<b>(4.712.649)</b>	<b>17.010.930.772</b>
<b>Non-Current Assets</b>			
Right-of-use asset	4.833.204.087	4.833.204.087	--
Deferred tax asset	1.393.959.229	203.874.837	1.190.084.392
<b>Total Non-Current Asset</b>	<b>10.951.563.277</b>	<b>5.037.078.924</b>	<b>5.914.484.353</b>
<b>TOTAL ASSETS</b>	<b>27.957.781.400</b>	<b>5.032.366.275</b>	<b>22.925.415.125</b>
<b>LIABILITIES AND EQUITY</b>			
	<b>30 September 2023</b>	<b>TFRS 16 Effect</b>	<b>Before TFRS 16</b>
<b>Current Liabilities</b>			
Short-term lease liabilities	1.930.001.001	1.930.001.001	--
<b>Total Current Liabilities</b>	<b>18.822.535.416</b>	<b>1.930.001.001</b>	<b>16.892.534.415</b>
<b>Non-current liabilities</b>			
Long-term lease liabilities	3.713.989.785	3.713.989.785	--
<b>Total Non-Current Liabilities</b>	<b>4.122.611.447</b>	<b>3.713.989.785</b>	<b>408.621.662</b>
<b>Equity</b>			
Retained earnings / (Accumulated losses)	2.520.902.365	(508.335.449)	3.029.237.814
Net profit / (loss) for the period	2.669.300.388	(103.289.062)	2.772.589.450
<b>Shareholder's equity</b>	<b>5.012.634.537</b>	<b>(611.624.511)</b>	<b>5.624.259.048</b>
<b>Total Equity</b>	<b>5.012.634.537</b>	<b>(611.624.511)</b>	<b>5.624.259.048</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>27.957.781.400</b>	<b>5.032.366.275</b>	<b>22.925.415.125</b>

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**APPENDIX-2 – CONSOLIDATED FINANCIAL STATEMENTS BEFORE TFRS 16****TFRS 16 Leases**

The effects of TFRS 16 lease standard on the Group's consolidated financial statements are presented below:

	<b>1 January 30 September 2023</b>	<b>TFRS 16 Effect</b>	<b>Before TFRS 16</b>
Revenue	75.046.876.720	--	75.046.876.720
Cost of sales (-)	(57.390.037.990)	--	(57.390.037.990)
<b>Gross profit</b>	<b>17.656.838.730</b>	<b>--</b>	<b>17.656.838.730</b>
Marketing and selling expenses (-)	(13.241.467.510)	762.344.491	(14.003.812.001)
General administrative expenses (-)	(465.479.011)	--	(465.479.011)
Other income from operating activities	574.630.609	--	574.630.609
Other expenses from operating activities (-)	(654.243.600)	--	(654.243.600)
<b>Operating profit</b>	<b>3.870.279.218</b>	<b>762.344.491</b>	<b>3.107.934.727</b>
Income from investing activities	167.774.821	--	167.774.821
Expense from investing activities (-)	(356.637)	--	(356.637)
<b>Profit before finance expense</b>	<b>4.037.697.402</b>	<b>762.344.491</b>	<b>3.275.352.911</b>
Financial expense (-)	(1.411.044.084)	(938.290.325)	(472.753.759)
<b>Profit from continuing operations before taxation</b>	<b>2.626.653.318</b>	<b>(175.945.834)</b>	<b>2.802.599.152</b>
Period tax expense	(426.122.437)	--	(426.122.437)
Deferred tax income	468.769.507	72.656.772	396.112.735
<b>PROFIT FOR THE PERIOD</b>	<b>2.669.300.388</b>	<b>(103.289.062)</b>	<b>2.772.589.450</b>



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**APPENDIX-2 – CONSOLIDATED FINANCIAL STATEMENTS BEFORE TFRS 16****TFRS 16 Leases**

The effects of TFRS 16 lease standard on the Group's consolidated financial statements are presented below:

	<b>1 January- 30 September 2023</b>	<b>TFRS 16 Effect</b>	<b>Before TFRS 16</b>
<b>A. Cash Generated by Operating Activities</b>			
Profit / (loss) for the period	2.669.300.388	(103.289.062)	2.772.589.450
<b>Adjustments related to reconciliation of net profit / (loss) for the period</b>			
-Depreciation of property, plant and equipment	1.211.914.434	781.203.743	430.710.691
-Tax income / (expenses)	(42.647.070)	(72.656.772)	30.009.702
-Interest expenses	1.411.044.084	938.290.325	472.753.759
<b>Cash generated by / (used in) operations before changes in working capital</b>	<b>5.432.352.791</b>	<b>1.543.548.234</b>	<b>3.888.804.557</b>
Changes in working capital :			
Changes in prepaid expenses and deferred income	75.053.433	--	75.053.433
<b>Cash used in operations</b>	<b>6.789.059.882</b>	<b>1.543.548.234</b>	<b>5.245.511.648</b>
<b>Net cash generated by operating activities:</b>	<b>6.381.451.240</b>	<b>1.543.548.234</b>	<b>4.837.903.006</b>
<b>B.INVESTING ACTIVITIES</b>			
<b>Net cash used in investing activities</b>	<b>(1.150.064.792)</b>	<b>--</b>	<b>(1.150.064.792)</b>
<b>C.FINANCING ACTIVITIES</b>			
Interest payments of lease liabilities	(938.290.325)	(938.290.325)	--
Payments of lease liabilities	(605.257.909)	(605.257.909)	--
<b>Net cash (used in) / generated from financing activities</b>	<b>(2.316.301.993)</b>	<b>(1.543.548.234)</b>	<b>(772.753.759)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2.915.084.455</b>	<b>--</b>	<b>2.915.084.455</b>
<b>D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>859.080.628</b>	<b>--</b>	<b>859.080.628</b>
<b>E.CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	<b>3.774.165.083</b>	<b>--</b>	<b>3.774.165.083</b>