



Şok Marketler Ticaret A.Ş.

01.01.2020 – 31.03.2020

Interim Report

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1. About Şok Marketler

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 Üsküdar and continues its activities in 81 provinces of Turkey. The number of personnel is 32,037 as of 31 March 2020 (31 December 2019: 29.738).

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 26 December 2017, the Group acquired 55% shares of 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 UCZ Mağazacılık Tic. A.Ş (“UCZ”).

With the Capital Market Board's approval of the public offering, the shares of Şok Marketler Ticaret A.Ş. started to trade on 18 May 2018 on BIST STARS index with the “SOKM” code which was offered to public on 8-11 May 2018, with a nominal value of TL 218,500,000 issued due to the increase from TL 360,000,000 to TL 578,500,000 with 10.5 base price.

Within the framework of the registered capital system, with the completion of the public offering with restricting the rights of the existing shareholders to purchase new shares, total capital of the Company increased by TL 33,428,571 to TL 611,928,571. All of the shares issued within the framework of capital increase mentioned above are allocated to Yıldız Holding A.Ş.. On 16 May 2018 capital increase completed by depositing the relevant amount to the Company account at base price of 10.5 TL.

As of 31 March 2020, the Group has a total of 7,436 stores 7,139 units "Şok" sales store, 297 units "Şok Mini" sales store (31 December 2019: "Şok" sales store: 6,929, "Şok Mini" sales store: 286).

The Group's internet address is www.sokmarket.com.tr.

1. General Information

a) Shareholding Structure

Shareholder structure of Şok Marketler as of March 31, 2020 is stated below;

Shareholders	%	
Turkish Retail Investments B.V.	23,53	144.000.000
Gözde Girişim Sermayesi Yat.Ort. A.Ş.	22,94	140.400.327
Templeton Strategic Emerging Markets Fund IV.LDC	5,88	36.000.000
Yıldız Holding A.Ş.	5,46	33.428.571
Turkish Holdings IV Cooperatief U.A.	5,16	31.571.531
Halka açık olan kısım & Diğer	37,03	226.528.142
Total	100,00	611.928.571

b) Board of Directors

With the Board of Directors resolution dated 23/03/2020, The 2019 Ordinary General Assembly meeting of our Company, which was announced to meet on March 30th, 2020 at 15:00, at the address Kısıklı Mahallesi Hanımseti Sok. No:35 B-1 Üsküdar/İstanbul is postponed to a future date, due to the COVID-19 (Coronavirus) outbreak, and within the scope of the precautions that our State and Ministry of Health took in order to help prevent the spread of the disease in our Country, and to protect our shareholders' right to participate to the meeting. A new invitation will be announced for the Ordinary General Assembly Meeting date with respect to the developments on this issue.

At the Extraordinary General Assembly Meeting of the Company held on October 31, 2019, one of the agenda items was related with the election of the new board members. With the Extraordinary General Assembly Meeting, the number of independent board members increased from 2 to 3, while the total number of Board members increased from 6 to 8.

Members' names and roles are as follows:

Name Surname	Title	Term
Cengiz SOLAKOĞLU	Chairman	Board members were elected for a term of three years at the Ordinary General Assembly meeting held on 18 July 2018
Ali ÜLKER	Deputy Chairman	
Erman KALKANDELEN	Board Member	
Murat ÜLKER	Board Member	Board member was elected at the Extraordinary General Assembly meeting held on 31 October 2019 to serve for the term of office of the current Members

Mehmet TTNC	Board Member	Mr. Mehmet TTNC has been appointed as Board Member in place of the resigned Board Member Mr. Mustafa Yaşar SERDENGEÇT with the resolution of Board Members dated on March 2, 2020, to complete the remaining term of office and to be presented to the vote of the first General Assembly to meet.
Ahmet BAL	Board Member (Independent)	Board member was elected for a term of three years at the Ordinary General Assembly meeting held on 18 July 2018
Pınar ILGAZ	Board Member (Independent)	Election of Board member was approved at the Extraordinary General Assembly Meeting dated 31.10.2019 to complete the term of Office of previous Board Member
Aytaç Saniye MUTLUGLLER	Board Member (Independent)	Board member was elected at the Extraordinary General Assembly meeting held on 31 October 2019 to serve for the term of office of the current Members

c) Executive Board

Executive Board of Şok Marketler as of March 31, 2020 is stated below;

Name Surname	Title	Address
Uğur Demirel	CEO	Kısıklı Mahallesi Hanımseti Sokak No:35 B/1 Üskdar, İstanbul
Ziya Kayacan	CFO	
Tuncer Konak	Human Resources Director	
Kazım Çağlar	Sales & Operation Director	
Hakan Koyun	Sales & Operation Director	
Metin Saęlam	Sales & Operation Director	
Nilhan Glbahçe	Marketing Director	
Tolga Genç	Trade Director	
İsmail zen	Trade Director	
Hakan Kurtul	Trade Director	
Kenan Hatipoęlu	Construction, Technical Purchasing and Investment Director	
Tuncay Çelikoęlu	Supply Chain Director	
Çaęlar Daęlar Aygn	Sales & Operation Director	

2. Operations

The Company operates in the food retail market in Turkey. As of 31 March 2020, the Group has a total of 7,436 stores 7,139 units "Şok" sales store, 297 units "Şok Mini" sales store.

3. Investments

For the period of 1 January- 31 March 2020, The Company opened 210 Şok and 11 Şok Mini Stores and Total capital expenditure was 91,8 million TL.

4. After the reporting Period

- At our Company's rental warehouse in Mersin, a fire incident occurred at around 00:30 am local time on April 19, 2020. The fire was brought under control in a short time with the rapid intervention of the fire brigade and was completely extinguished. There was no loss of life and injury in the incident. Similar with all our warehouses, our Mersin warehouse is also rented and covered by insurance, so we do not anticipate any financial loss due to the incident. Our stores that receive service from our Mersin warehouse will be served by our other warehouses, and we do not foresee any disruption and business interruption to our operations.
- Within the scope of the Company's articles of association and remuneration policy, and taking into consideration that the Company's annual targets of 2019 were reached, our Board of Directors unanimously resolved to pay TL 10.402.383,52 additional bonuses in cash to the Senior Management due to their performance, on the condition that; as of the date of payment, the Senior Management shall purchase ŞOK shares which were acquired from the stock exchange with the price stability fund, amounting to nominal TL 980.432, at the rate of TL 10,61 per share in accordance with Borsa İstanbul A.Ş. Wholesale Transactions Procedures and Principles.

5. Financials

The details of the Group's subsidiaries at 31 March 2020 and 31 December 2019 are as follows:

Subsidiaries	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	Direct Ownership Rate %		Group Efficiency Rate %	
Mevsim Taze Sebze Meyve San. ve Tic. A.Ş.	%80	%80	%80	%80
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 investee, i.e. the investor has existing rights that provides the ability to direct the relevant activities (the activities that significantly affect the investee's returns),
- having exposure, or rights, to variable returns from its involvement with the investee
- having the ability to use its power over the investee to affect the amount of the investor's returns

If a situation or event arises that could cause any change in at least one of the criteria listed above, the Group will reevaluate the control power over the Group's investment.

Consolidated Income Statement Summary for the period of 1 January -31 March 2020;

Consolidated Income Statement Summary (TLm)							
	Excl. IFRS 16			Δ (%)	Incl. IFRS 16		
	31.03.2019	31.03.2020			31.03.2019	31.03.2020	Δ (%)
Net Sales	3.523,4	4.688,3	33,1%	3.523,4	4.688,3	33,1%	
Gross Profit	780,7	1.130,0	44,7%	780,7	1.130,0	44,7%	
Gross Profit %	22,2%	24,1%	1,9 Ppt	22,2%	24,1%	1,9 Ppt	
Marketing, selling & GA expenses (-)	(717,5)	(911,2)	27,0%	(655,1)	(829,1)	26,6%	
Amortisation	(53,1)	(60,2)	13,4%	(140,2)	(162,6)	16,0%	
Marketing, selling & GA expenses (-) (Excl Amortisation)	(664,4)	(851,0)	28,1%	(515,0)	(666,5)	29,4%	
EBITDA	116,3	279,0	139,8%	265,7	463,5	74,4%	
EBITDA %	3,3%	6,0%	2,6 Ppt	7,5%	9,9%	2,3 Ppt	
Operating Profit (EBIT)	(56,5)	59,7	205,7%	5,9	141,7	2320,0%	
Profit / (Loss) Before Tax	(90,2)	38,6	142,9%	(121,3)	5,3	104,4%	
Net Profit / (Loss) for the Period	(72,6)	31,6	143,5%	(97,5)	5,3	105,5%	

Consolidated Balance Sheet Summary for the period of 1 January -31 March 2020;

Consolidated Balance Sheet Summary (TLm)	Excl. IFRS 16		Incl. IFRS 16	
	31.12.2019	31.03.2020	31.12.2019	31.03.2020
Cash & cash equivalents	431,3	550,4	431,3	550,4
Trade receivables	74,4	120,8	74,4	120,8
Inventories	1.329,7	1.516,2	1.329,7	1.516,2
Other current assets	27,3	32,2	25,0	29,1
Total Current Assets	1.862,7	2.219,6	1.860,4	2.216,6
Property & equipment	1.100,7	1.130,2	1.100,7	1.130,2
Intangible assets	685,3	686,6	685,3	686,6
Other non-current assets	209,3	204,4	2.061,4	2.071,0
Non-Current Assets	1.995,3	2.021,2	3.847,4	3.887,8
Total Assets	3.858,1	4.240,8	5.707,8	6.104,4

Consolidated Balance Sheet Summary (TLm)	Excl. IFRS 16		Incl. IFRS 16	
	31.12.2019	31.03.2020	31.12.2019	31.03.2020
Short term financial liabilities	75,5	66,5	75,5	66,5
Trade payables	3.395,1	3.668,1	3.395,1	3.668,1
Other current payables	218,6	311,6	819,7	939,3
Total Current Liabilities	3.689,2	4.046,2	4.290,3	4.673,8
Total Non Current Liabilities	78,8	74,3	1.444,4	1.453,3
Shareholder's equity	88,5	118,7	(28,3)	(24,2)
Non-controlling interests	1,6	1,7	1,5	1,4
Total Equity	90,1	120,3	(26,8)	(22,8)
Total Liabilities and Equity	3.858,1	4.240,8	5.707,9	6.104,4