



Şok Marketler Ticaret A.Ş.

01.01.2021 – 30.06.2021

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 38,410 as of June 30, 2021 (31 December 2020: 35,665).

Şok and its subsidiaries, 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 Company 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.

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 Company acquired 80% share of Mevsim Taze Sebze Meyve San. ve Tic. A.Ş. (“Mevsim”).

Group acquired 55% shares of Teközel on 26 December 2017 and remaining 45% of shares were acquired on 2 July 2018. The merger completed on 10 May 2019 and approved by CMB on the date of 28 March 2019 and Trade Registry approval completed on 10 May 2019. After the merger, Şok has %100 shares of Teközel’s subsidiary UCZ Mağazacılık Tic. A.Ş (“UCZ”).

Group’s shares have been trading at Istanbul Stock Exchange since 18 May 2018.

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 TL611,928,571.

As of June 30, 2021, the Company has a total of 8,741 stores including 8,366 units "Şok" sales store, 375 units "Şok Mini" sales store (31 December 2020: Company has a total of 8,145 stores including "Şok" sales store: 7,803, "Şok Mini" sales store: 342).

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

2. General Information

a) Shareholding Structure

Shareholder structure of Şok Marketler as of June 30, 2021 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
European Bank For Reconstruction And Development	5.55	33,950,000
Publicly listed & Other	42.10	257,578,244
Total	100.00	611,928,571

* According to the public disclosure dated on 05/04/2021; Yıldız Holding A.Ş. transferred its Şok shares, amounting to 30.428.571 shares to Istanbul Portfolio Yıldız Private Fund within the scope of the protocol signed with Istanbul Portfolio Management Inc., in return for the Fund Participation Certificate.

b) Board of Directors

Members' names and roles are as follows:

Name Surname	Title	Term
Cengiz SOLAKOĞLU	Chairman of the Board	Board members were elected for a term of three years at the Ordinary General Assembly meeting held on 26 May 2021
Ali ÜLKER	Deputy Chairman of the Board	
Erman KALKANDELEN	Board Member	
Murat ÜLKER	Board Member	
Mehmet TÜTÜNCÜ	Board Member	
Ahmet BAL	Board Member (Independent)	
Fatma Pınar ILGAZ	Board Member (Independent)	
Aytaç Saniye MUTLUGÜLLER	Board Member (Independent)	

2020 Ordinary General Assembly meeting of our Company was held on May 26th, 2021 at 14:00, at the address Kısıklı Mahallesi Hanımseti Sok. No:35 B-1 Üsküdar/İstanbul.

As a result of the evaluation of the Capital Markets Law and the Article 25 of the Articles of Association and Profit Distribution Policy of our Company along with considering the long-term strategies, investment, cash and financing policies of our Company; it has been decided to distribute dividend in cash by gross TRY 79.565.667 out of the distributable net profit for 2020 at the General Assembly meeting of our Company was held on May 26th, 2021.

c) Executive Board

Executive Board of Şok Marketler as of June 30, 2021 is stated below;

Name Surname	Title	Address
Uğur Demirel	CEO	Kısıklı Mahallesi Hanımseti Sokak No:35 B/1 Üsküdar, İstanbul
Ziya Kayacan	CFO	
Tuncer Konak	Human Resources Director	
Kazım Çağlar	Sales & Operation Director	
Hakan Koyun	Sales & Operation Director	
Bülent Ömürlü	Sales & Operation Director	
Çağlar Dağlar Aygün	Sales & Operation Director	
Nilhan Gülbahçe	Marketing Director	
Tolga Genç	Trade Director	
İsmail Özen	Trade Director	
Dila Duruca*	Trade Director	
Kenan Hatipoğlu	Construction, Technical Purchasing and Investment Director	
Tuncay Çelikoğlu**	Supply Chain Director	

* Mr. Hakan Kurtul resigned from his duty as of 02.03.2021 and Dila Duruca was appointed as Sales & Operation Director.

** Mr. Tuncay Çelikoğlu resigned from his duty as of 01.07.2021.

3. Operations

The Company operates in the food retail market in Turkey. As of June 30, 2021, the Company has a total of 8,741 stores 8,366 units "Şok" sales store, 375 units "Şok Mini" sales store.

4. Investments

For the period of 1 January- 30 June 2021, The Company opened 563 Şok and 33 Şok Mini Stores and total capital expenditure was TL344.1 million.

5. After the reporting Period

Following the approval of the General Assembly, held on May 26, 2021, a dividend payment of TL 79,565,667 was made 1 – 5 July 2021.

6. Financials

The details of the Company's subsidiaries at June 30, 2021 and December 31, 2020 are as follows:

Subsidiaries	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	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 Company and its subsidiaries.

Control is obtained by the Company, 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 Company will reevaluate the control power over the Company's investment.

Profit or loss and other comprehensive income are attributable to the equity holders of both the parent company and noncontrolling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the noncontrolling 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 Company. All cash flows from in-Company assets and liabilities, equity, income and expenses, and transactions between companies are eliminated in consolidation.

Consolidated Income Statement Summary for the period of 2Q'21 and 1Q'20; 1H'21 and 1H'20

2Q2020 & 2Q2021 Consolidated Income Statement Summary (TLm)

	Excl. IFRS 16			Incl. IFRS 16		
	2Q2020	2Q2021	Δ (%)	2Q2020	2Q2021	Δ (%)
Net Sales	5.225,1	6.839,4	30,9%	5.225,1	6.839,4	30,9%
Gross Profit	1.212,3	1.576,6	30,1%	1.212,3	1.576,6	30,1%
Gross Profit %	23,2%	23,1%	-0,1 Ppt	23,2%	23,1%	-0,1 Ppt
Marketing, selling & GA expenses (-)	(982,9)	(1.238,8)	26,0%	(894,1)	(1.123,8)	25,7%
Amortisation	(62,2)	(72,8)	16,9%	(168,6)	(199,9)	18,5%
Marketing, selling & GA expenses (-) (Excl Amortisation)	(920,7)	(1.166,0)	26,6%	(725,5)	(923,9)	27,3%
EBITDA	291,6	410,6	40,8%	486,8	652,7	34,1%
EBITDA %	5,6%	6,0%	0,4 Ppt	9,3%	9,5%	0,2 Ppt
Operating Profit (EBIT)	111,0	192,4	73,4%	199,8	307,4	53,9%
Income from investing activities	3,1	37,7	1112,9%	3,5	37,7	972,4%
Financial Expense	(14,2)	(43,8)	208,5%	(141,4)	(194,6)	37,6%
Profit / (Loss) Before Tax	99,9	186,3	86,5%	61,9	150,5	143,0%
Net Profit / (Loss) for the Period	81,0	139,0	71,6%	50,3	110,4	119,7%

1H2020 & 1H2021 Consolidated Income Statement Summary (TLm)

	Excl. IFRS 16			Incl. IFRS 16		
	1H2020	1H2021	Δ (%)	1H2020	1H2021	Δ (%)
Net Sales	9.913,4	13.216,5	33,3%	9.913,4	13.216,5	33,3%
Gross Profit	2.342,2	3.071,6	31,1%	2.342,2	3.071,6	31,1%
Gross Profit %	23,6%	23,2%	-0,4 Ppt	23,6%	23,2%	-0,4 Ppt
Marketing, selling & GA expenses (-)	(1.894,1)	(2.424,5)	28,0%	(1.723,2)	(2.207,3)	28,1%
Amortisation	(122,4)	(144,1)	17,7%	(331,2)	(390,9)	18,0%
Marketing, selling & GA expenses (-) (Excl Amortisation)	(1.771,6)	(2.280,4)	28,7%	(1.392,0)	(1.816,4)	30,5%
EBITDA	570,6	791,2	38,7%	950,3	1.255,2	32,1%
EBITDA %	5,8%	6,0%	0,2 Ppt	9,6%	9,5%	-0,1 Ppt
Operating Profit (EBIT)	170,7	346,5	103,0%	341,5	563,6	65,0%
Income from investing activities	4,3	70,5	1552,4%	5,4	70,5	1209,8%
Financial Expense	(36,4)	(82,4)	126,5%	(279,6)	(372,2)	33,1%
Profit / (Loss) Before Tax	138,5	334,5	141,4%	67,3	261,8	289,2%
Net Profit / (Loss) for the Period	112,6	252,4	124,2%	55,6	194,2	249,2%

Consolidated Balance Sheet Summary for the period of 6M'21 and 12M'20;

	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Cash & cash equivalents	1.149,1	1.289,8	1.149,1	1.289,8
Trade receivables	106,2	108,2	106,2	108,2
Inventories	2.090,3	2.357,1	2.090,3	2.357,1
Other current assets	33,8	55,1	31,5	52,5
Total Current Assets	3.379,4	3.810,2	3.377,0	3.807,6
Property & equipment	1.352,7	1.548,5	1.352,7	1.548,5
Intangible assets	692,0	694,5	692,0	694,5
Other non-current assets	167,0	89,6	2.340,1	2.531,4
Non-Current Assets	2.211,7	2.332,6	4.384,8	4.774,4
Total Assets	5.591,0	6.142,8	7.761,8	8.582,0

	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2020	30.06.2021	31.12.2020	30.06.2021
Short term financial liabilities	32,7	11,0	32,7	11,0
Trade payables	4.600,8	4.846,5	4.600,8	4.846,5
Other current payables	367,3	537,3	1.112,7	1.377,4
Total Current Liabilities	5.000,9	5.394,8	5.746,2	6.234,9
Total Non Current Liabilities	102,7	88,3	1.761,7	1.979,2
Shareholder's equity	486,4	660,3	253,1	368,8
Non-controlling interests	1,0	(0,6)	0,8	(0,9)
Total Equity	487,4	659,7	253,9	367,9
Total Liabilities and Equity	5.591,0	6.142,8	7.761,8	8.582,0

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