



Şok Marketler Ticaret A.Ş.

01.01.2022 – 30.09.2022

Interim Management Report

APPENDIX

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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 45.264 as of 30 September 2022 (31 December 2021: 39.659).

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. (“Onur Ex”) 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 30 September 2022.

As of 30 September 2022 the Group has a total of 10.141 stores (31 December 2021: 9.247); 9.710 units ("Şok" sales store), 431 units ("Şok Mini" sales store) (31 December 2021: "Şok" sales store: 8.852, "Şok Mini" sales store: 395)

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

2. General Information

a) Shareholding Structure

Shareholder structure of Şok Marketler as of September 30, 2022 is stated below;

| Shareholders | Ratio % | Share in Capital TL |
|--|---------------|---------------------|
| Turkish Retail Investments B.V. | 24.27 | 144,000,000 |
| Gözde Girişim Sermayesi Yat.Ort. A.Ş. | 23.66 | 140,400,327 |
| Small Cap World Fund Inc | 6.25 | 37,067,550 |
| European Bank for Reconstruction And Development | 5.72 | 33,950,000 |
| İstanbul Portföy Yıldız Serbest Özel Fon | 5.13 | 30,428,571 |
| Yıldız Holding A.Ş. | 0.51 | 3,000,000 |
| Publicly listed & Other | 34.46 | 204,443,560 |
| Total | 100.00 | 593,290,008 |

b) Board of Directors

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

Our Company's Ordinary General Assembly for the 2021 fiscal year was held on 12/05/2022 at 14:00 at Kısıklı Mahallesi Hanımseti Sok. No:35 B-1 Üsküdar/İstanbul.

Regarding dividend distribution, our Board of Directors proposal to not to distribute dividend for the 2021 fiscal year has been approved by the shareholders at the Ordinary General Assembly Meeting of our Company, to further strengthen the financial structure of our Company.

c) Executive Board

Executive Board of Şok Marketler as of September 30, 2022 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 | |
| Bahar Gürbüz | Trade Director | |
| İsmail Özen | Trade Director | |
| Dila Duruca | Trade Director | |
| Kenan Hatipoğlu | Construction, Technical Purchasing and Investment Director | |
| Harun Güvendi | Supply Chain Director | |
| Mustafa Kurtçu | Projects and Business Development Director | |
| Serkan Gönen | E-Commerce Deputy Director | |
| Aytaç Tombaz | Information Technologies Deputy Director | |

3. Operations

The Company operates in the food retail market in Turkey. As of September 30,2022, the Company has a total of 10,141 stores 9,710 units "Şok" sales store, 431 units "Şok Mini" sales store.

4. Investments

For the period of 1 January- 30 September 2022, the Company opened 858 Şok and 36 Şok Mini Stores and total capital expenditure was TL 1,4 billion.

5. After the reporting Period

None.

6. Financials

The details of the Company's subsidiaries at September 30, 2022 and December 31, 2021 are as follows:

| Subsidiaries | 30 September | 31 December | 30 September | 31 December |
|---|-------------------------|-------------|-------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Direct Ownership Rate % | | Group Efficiency Rate % | |
| Mevsim Taze Sebze Meyve San. ve Tic. A.Ş. | %100 | %80 | %100 | %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 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.

Consolidated Income Statement Summary for the period of 3Q'22 and 3Q'21; 9M'22 and 9M'21

| 3Q2021 & 3Q2022 Consolidated Income Statement Summary | | | | | | |
|---|---------------|-----------|---------|---------------|-----------|----------|
| TL mn | Excl. IFRS 16 | | | Incl. IFRS 16 | | |
| | 3Q2021 | 3Q2022 | Δ (%) | 3Q2021 | 3Q2022 | Δ (%) |
| Net Sales | 7.211,8 | 17.097,8 | 137,1% | 7.211,8 | 17.097,8 | 137,1% |
| Gross Profit | 1.678,6 | 4.085,9 | 143,4% | 1.678,6 | 4.085,9 | 143,4% |
| Gross Profit % | 23,3% | 23,9% | 0,6 Ppt | 23,3% | 23,9% | 0,6 Ppt |
| Marketing, Selling & GA Expenses (-) | (1.366,6) | (3.255,4) | 138,2% | (1.247,4) | (3.076,0) | 146,6% |
| Amortisation | (77,6) | (110,4) | 42,3% | (214,4) | (298,0) | 39,0% |
| Marketing, Selling & GA Expenses (-) (Excl. Amortisation) | (1.289,0) | (3.145,0) | 144,0% | (1.033,0) | (2.778,0) | 168,9% |
| EBITDA | 389,7 | 941,0 | 141,5% | 645,7 | 1.307,9 | 102,6% |
| EBITDA % | 5,4% | 5,5% | 0,1 Ppt | 9,0% | 7,6% | -1,3 Ppt |
| Operating Profit (EBIT) | 201,0 | 703,5 | 250,0% | 320,2 | 882,9 | 175,8% |
| Income/(Expense) From Investing Activities | 34,3 | 21,5 | -37,4% | 34,3 | 21,5 | -37,4% |
| Financial Expense | (43,4) | (95,5) | 120,0% | (198,3) | (327,3) | 65,1% |
| Profit Before Tax | 191,9 | 629,5 | 228,0% | 156,2 | 577,1 | 269,5% |
| Net Profit For The Period | 144,4 | 1.237,0 | 756,6% | 115,8 | 1.195,2 | 931,8% |

| 9M2021 & 9M2022 Consolidated Income Statement Summary | | | | | | |
|---|---------------|-----------|----------|---------------|-----------|----------|
| TL mn | Excl. IFRS 16 | | | Incl. IFRS 16 | | |
| | 9M2021 | 9M2022 | Δ (%) | 9M2021 | 9M2022 | Δ (%) |
| Net Sales | 20.428,3 | 40.643,1 | 99,0% | 20.428,3 | 40.643,1 | 99,0% |
| Gross Profit | 4.750,2 | 9.727,8 | 104,8% | 4.750,2 | 9.727,8 | 104,8% |
| Gross Profit % | 23,3% | 23,9% | 0,7 Ppt | 23,3% | 23,9% | 0,7 Ppt |
| Marketing, Selling & GA Expenses (-) | (3.791,1) | (7.715,3) | 103,5% | (3.454,8) | (7.233,4) | 109,4% |
| Amortisation | (221,7) | (303,5) | 36,9% | (605,4) | (806,3) | 33,2% |
| Marketing, Selling & GA Expenses (-) (Excl. Amortisation) | (3.569,4) | (7.411,8) | 107,6% | (2.849,4) | (6.427,1) | 125,6% |
| EBITDA | 1.180,9 | 2.316,0 | 96,1% | 1.900,8 | 3.300,7 | 73,6% |
| EBITDA % | 5,8% | 5,7% | -0,1 Ppt | 9,3% | 8,1% | -1,2 Ppt |
| Operating Profit (EBIT) | 547,5 | 1.652,5 | 201,8% | 883,8 | 2.134,3 | 141,5% |
| Income/(Expense) From Investing Activities | 104,8 | 84,1 | -19,7% | 104,8 | 84,1 | -19,7% |
| Financial Expense | (125,9) | (228,6) | 81,7% | (570,5) | (842,9) | 47,7% |
| Profit Before Tax | 526,4 | 1.507,9 | 186,5% | 418,0 | 1.375,6 | 229,0% |
| Net Profit For The Period | 396,8 | 1.911,4 | 381,7% | 310,0 | 1.805,4 | 482,4% |

Consolidated Balance Sheet Summary for the period of 9M'22 and 12M'21;

| TL mn | Excl. IFRS 16 | | Inc. IFRS 16 | |
|-----------------------------|----------------|-----------------|----------------|-----------------|
| | 31.12.2021 | 30.09.2022 | 31.12.2021 | 30.09.2022 |
| Cash & cash equivalents | 1.343,8 | 635,4 | 1.343,8 | 635,4 |
| Trade receivables | 100,0 | 123,2 | 100,0 | 123,2 |
| Inventories | 2.849,4 | 7.106,2 | 2.849,4 | 7.106,2 |
| Other current assets | 81,4 | 519,3 | 76,7 | 515,3 |
| Total Current Assets | 4.374,5 | 8.384,1 | 4.369,8 | 8.380,0 |
| Property & equipment | 1.828,8 | 2.938,9 | 1.828,8 | 2.938,9 |
| Intangible assets | 703,7 | 715,5 | 703,7 | 715,5 |
| Other non-current assets | 177,8 | 733,2 | 2.832,6 | 4.145,9 |
| Non-Current Assets | 2.710,3 | 4.387,6 | 5.365,1 | 7.800,4 |
| Total Assets | 7.084,7 | 12.771,7 | 9.734,8 | 16.180,4 |

| TL mn | Excl. IFRS 16 | | Inc. IFRS 16 | |
|--------------------------------------|----------------|-----------------|----------------|-----------------|
| | 31.12.2021 | 30.09.2022 | 31.12.2021 | 30.09.2022 |
| Short term financial liabilities | 0,7 | 0,0 | 0,7 | 0,0 |
| Trade payables | 5.321,4 | 9.014,3 | 5.321,4 | 9.014,3 |
| Other current payables | 785,2 | 815,8 | 1.743,7 | 2.113,8 |
| Total Current Liabilities | 6.107,3 | 9.830,1 | 7.065,8 | 11.128,1 |
| Total Non-Current Liabilities | 122,2 | 174,6 | 2.173,2 | 2.750,6 |
| Shareholder's equity | 859,5 | 2.767,0 | 500,5 | 2.301,7 |
| Non-controlling interests | (4,3) | 0,0 | (4,6) | 0,0 |
| Total equity | 855,2 | 2.767,0 | 495,9 | 2.301,7 |
| Total Liabilities and Equity | 7.084,7 | 12.771,7 | 9.734,8 | 16.180,4 |

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