



Şok Marketler Ticaret A.Ş.

01.01.2022 – 30.06.2022

Interim Management Report



**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM ANNUAL
REPORT ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Şok Marketler Ticaret A.Ş.

We have been assigned to review whether the financial information included in the accompanying interim annual report of Sok Marketler Ticaret A.S. ("the Company") and its subsidiaries (together referred as "the Group") for the 6-month period ended 30 June 2022 is consistent with the reviewed consolidated interim financial information for the same interim period. Management is responsible for the preparation of the interim annual report. Our responsibility is to express a conclusion on whether the financial information included in the interim annual report is consistent with the reviewed consolidated interim financial information on which we expressed our conclusion in our review report as of 16 August 2022.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the interim annual report is consistent with the reviewed consolidated interim financial information. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review of the consolidated interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the financial information included in the accompanying interim annual report is not consistent, in all material respects, with the reviewed consolidated interim financial information and the information presented in the explanatory notes to consolidated interim financial information.

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



Adnan Akan, SMMM
Partner

Istanbul, 16 August 2022

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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 45.968 as of 30 June 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 with restricting the rights of the existing shareholders to purchase new shares, total capital of the Company increased by TL 18.638.563 to TL 593.290.008. The issued capital of the company, As a result of the repurchase of the repurchased shares corresponding to TL 18.638.563, the Company's capital of TL 611.928.571 is As of 01.06.2022, it decreased by 18.639.563 TL and became 593.290.008 TL.

The Group's shareholding structure is presented below.

As of 30 June 2022 the Group has a total of 9.858 stores (31 December 2021: 9.247); 9.435 units ("Şok" sales store), 423 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 June 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 June 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 June 30,2022, the Company has a total of 9,858 stores 9,435 units "Şok" sales store, 423 units "Şok Mini" sales store.

4. Investments

For the period of 1 January- 30 June 2022, the Company opened 583 Şok and 28 Şok Mini Stores and total capital expenditure was TL 899 million.

5. After the reporting Period

None.

6. Financials

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

Subsidiaries	30 June	31 December	30 June	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 2Q'22 and 2Q'21; 1H'22 and 1H'21

2Q2021 & 2Q2022 Consolidated Income Statement Summary						
TL mn	Excl. IFRS 16			Incl. IFRS 16		
	2Q2021	2Q2022	Δ (%)	2Q2021	2Q2022	Δ (%)
Net Sales	6.839,4	13.348,9	95,2%	6.839,4	13.348,9	95,2%
Gross Profit	1.576,6	3.134,5	98,8%	1.576,6	3.134,5	98,8%
Gross Profit %	23,1%	23,5%	0,4 Ppt	23,1%	23,5%	0,4 Ppt
Marketing, Selling & GA Expenses (-)	(1.238,8)	(2.461,7)	98,7%	(1.123,8)	(2.302,9)	104,9%
Amortisation	(72,8)	(101,6)	39,5%	(199,9)	(267,4)	33,8%
Marketing, Selling & GA Expenses (-) (Excl. Amortisation)	(1.165,9)	(2.360,1)	102,4%	(923,9)	(2.035,5)	120,3%
EBITDA	410,6	774,4	88,6%	652,7	1.099,0	68,4%
EBITDA %	6,0%	5,8%	-0,2 Ppt	9,5%	8,2%	-1,3 Ppt
Operating Profit (EBIT)	192,4	567,4	194,9%	307,4	726,2	136,2%
Income/(Expense) From Investing Activities	37,7	21,7	-42,3%	37,7	21,7	-42,3%
Financial Expense	(43,8)	(73,1)	67,0%	(194,6)	(264,7)	36,0%
Profit Before Tax	186,3	516,1	177,0%	150,5	483,3	221,1%
Net Profit For The Period	139,0	386,2	177,8%	110,4	360,0	225,9%

1H2021 & 1H2022 Consolidated Income Statement Summary						
TL mn	Excl. IFRS 16			Incl. IFRS 16		
	1H2021	1H2022	Δ (%)	1H2021	1H2022	Δ (%)
Net Sales	13.216,5	23.545,3	78,2%	13.216,5	23.545,3	78,2%
Gross Profit	3.071,6	5.641,9	83,7%	3.071,6	5.641,9	83,7%
Gross Profit %	23,2%	24,0%	0,7 Ppt	23,2%	24,0%	0,7 Ppt
Marketing, Selling & GA Expenses (-)	(2.424,5)	(4.459,9)	84,0%	(2.207,3)	(4.157,4)	88,3%
Amortisation	(144,1)	(193,1)	34,0%	(390,9)	(508,3)	30,0%
Marketing, Selling & GA Expenses (-) (Excl. Amortisation)	(2.280,4)	(4.266,8)	87,1%	(1.816,4)	(3.649,1)	100,9%
EBITDA	791,2	1.375,1	73,8%	1.255,2	1.992,8	58,8%
EBITDA %	6,0%	5,8%	-0,1 Ppt	9,5%	8,5%	-1,0 Ppt
Operating Profit (EBIT)	346,5	948,9	173,9%	563,6	1.251,4	122,0%
Income/(Expense) From Investing Activities	70,5	62,6	-11,1%	70,5	62,6	-11,1%
Financial Expense	(82,4)	(133,1)	61,4%	(372,2)	(515,6)	38,5%
Profit Before Tax	334,5	878,5	162,6%	261,8	798,4	204,9%
Net Profit For The Period	252,4	674,4	167,2%	194,2	610,3	214,3%

Consolidated Balance Sheet Summary for the period of 6M'22 and 12M'21;

TL mn	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2021	30.06.2022	31.12.2021	30.06.2022
Cash & cash equivalents	1.343,8	1.146,7	1.343,8	1.146,7
Trade receivables	100,0	86,5	100,0	86,5
Inventories	2.849,4	5.759,9	2.849,4	5.759,9
Other current assets	81,4	299,6	76,7	295,4
Total Current Assets	4.374,5	7.292,6	4.369,8	7.288,4
Property & equipment	1.828,8	2.529,4	1.828,8	2.529,4
Intangible assets	703,7	707,7	703,7	707,7
Other non-current assets	177,8	190,2	2.832,6	3.264,5
Non-Current Assets	2.710,3	3.427,3	5.365,1	6.501,6
Total Assets	7.084,7	10.719,8	9.734,8	13.790,0

TL mn	Excl. IFRS 16		Inc. IFRS 16	
	31.12.2021	30.06.2022	31.12.2021	30.06.2022
Short term financial liabilities	0,7	0,0	0,7	0,0
Trade payables	5.321,4	8.168,6	5.321,4	8.168,6
Other current payables	785,2	869,2	1.743,7	2.010,0
Total Current Liabilities	6.107,3	9.037,8	7.065,8	10.178,6
Total Non-Current Liabilities	122,2	153,0	2.173,2	2.505,9
Shareholder's equity	859,5	1.528,5	500,5	1.105,5
Non-controlling interests	(4,3)	0,5	(4,6)	0,0
Total equity	855,2	1.529,0	495,9	1.105,5
Total Liabilities and Equity	7.084,7	10.719,8	9.734,8	13.790,0

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