

ŞOK MARKETLER TİCARET A.Ş.

CONSOLIDATED TCC 376
FINANCIAL STATEMENTS AND NOTES
AS OF 30 SEPTEMBER 2020

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

ASSETS

	30 September
	2020
Current Assets	
Cash and cash equivalents	935,460,416
Trade receivables	130,776,802
Due from related parties	37,959,951
Other trade receivables	92,816,851
Other receivables	14,337,654
Inventories	1,675,202,139
Prepaid expenses	4,919,378
Other current assets	3,874,110
Total Current Assets	2,764,570,499
Non Current Assets	
Other receivables	24,496,041
Property and equipment	1,228,733,191
Right of use assets	1,995,067,300
Intangible assets	3,497,814,623
Goodwill	579,092,596
Other intangible assets	2,918,722,027
Deferred tax assets	195,429,006
Total Non-Current Assets	6,941,540,161
TOTAL ASSETS	9,706,110,660

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LIABILITIES AND EQUITY

	30 September 2020
Current Liabilities	
Lease liabilities	690,846,368
Short term portion of long term borrowings	47,138,905
Trade payables	3,926,387,913
Due to related parties	301,364,166
Other trade payables	3,625,023,747
Payables regarding employee benefits	200,514,842
Other payables	3,167,336
Deferred income	9,472,077
Other short term provisions	75,566,905
Provision for short term employee benefits	26,590,269
Other provisions	48,976,636
Other current liabilities	235,073,432
Total Current Liabilities	5,188,167,778
Non current liabilities	
Long term borrowings	4,054,485
Lease liabilities	1,554,831,332
Provision for long term employee benefits	58,489,794
Other payables	1,049,812
Total Non-Current Liabilities	1,618,425,423
EQUITY	
Share capital	611,928,571
Repurchased shares	(180,724,551)
Effect of transactions under common control	(567,113,629)
Revaluation funds	2,808,324,490
Accumulated other comprehensive income or expense that will not be reclassified to profit or loss:	
Defined benefit plans reameasurement losses	(13,176,035)
Restricted reserves appropriated from profits	260,000
Retained earnings	129,419,773
Net profit for the period	109,088,038
Shareholder's equity	2,898,006,657
Non-controlling interest	1,510,802
Total Equity	2,899,517,459
TOTAL LIABILITIES AND EQUITY	9,706,110,660

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NOTE 1 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a) Basic Principles Regarding Presentation

Consolidated financial statements dated 30 September 2020 has been prepared in accordance with Turkish Accounting Standards ("TAS") put into force by Public Oversight Accounting and Auditing Standards Authority ("POA") as per the provisions of "Communiqué on Principles Regarding Financial Reporting in Capital Markets" ("Communiqué") serial no. II, No. 14.1 of Capital Markets Board ("CMB") issued in Official Gazette dated 13 June 2013 and no. 28676. TAS; Turkish Accounting Standards, is consisting of Turkish Financial Reporting Standards and appendixes and comments regarding these.

Şok Marketler Ticaret A.Ş. ("Company" or "Şok Marketler", with its affiliates the "Group") has disclosed its consolidated financial statements as of 30 September 2020 at Public Disclosure Platform ("KAP") on 3 November 2020. The consolidated financial statements in question constitutes the basis of TCC 376 Balance Sheet prepared as of 30 September 2020.

Duties and authorizations of the company board of directors regarding the loss of capital or the fact that the company went into debt were regulated in articles 376 and 377 of Turkish Commercial Code ("TCC").

b) Matters specified in article 376 of Turkish Commercial Code (TCC) and Decision of CMB dated 10 April 2014 and no. 11/352

Regarding the application of article 376 of Turkish Commercial Code (TCC) within the frame of the regulations of Capital Markets Board, in the Decision of CMB dated 10 April 2014 and no. 11/352 it was decided that;

C-Regarding the application of sub-paragraph three of article 376 of TCC;

1) For companies with the obligation to prepare interim period financial report within the frame of the Communiqué of our Board no. II-14.1;

i. For interim statement to be prepared according to going concern basis, to consider periodic financial statements prepared within the frame of Communiqué no. II-14.1 of our Board,

ii To issue interim balance sheet (TCC 376 balance sheet) to be prepared based on the possible sales prices of the assets within 30 days following the suspicion of going into debt with the same date of the periodic financial statements prepared within the frame of Communiqué no. II-14.1 of our Board but without being subject to the provisions of Communiqué no. II-14.1 of our Board,

2) For businesses without the obligation to prepare interim period financial report within the frame of Communiqué no. II-14.1 of our Board; to issue balance sheet in accordance with going concern basis according to the provisions of Communiqué no. II-14.1 of our Board and TCC 376 within 30 days following the suspicion of going into debt,

3) While the statement of financial position prepared according to going concern basis shows the loss of the whole capital, in case TCC 376 balance sheet assets does not cover the receivables of company creditors, if no circumstance proving otherwise can be put forward, there is no need ot take measures stipulated in sub-paragraph three of article 376 of TCC,

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NOTE 1 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

b) Matters specified in article 376 of Turkish Commercial Code (TCC) and Decision of CMB dated 10 April 2014 and no. 11/352 (Continued)

C-Regarding the application of sub-paragraph three of article 376 of TCC (Continued);

4) Valuation of immovable fixed assets in TCC 376 balance sheet by any of "Immovable Property Valuation Companies" authorized by our company and valuation of the remaining tangible and intangible fixed assets by any one of the companies specified in the Decision of our Board dated 17.07.2003 and no. 37/875 within the scope of regulations of our Board regarding valuation and inclusion of the type of the fixed asset, applied valuation methodology and trade name of the companies which carried out the valuation to the footnotes regarding this matter is necessary,

5) A decision of the board of directors must be taken specifying that TCC 376 balance sheets are independent from the provisions of Communiqué no II-14.1 of our Board and they will not substitute them and disclosed within the scope of the regulations of our Board regarding disclosing the special cases,

6) Reviewing the assets in the balance sheets prepared based on the sales prices of the assets as of the financial reporting periods regulated as per the Communiqué no. II-14.1 of our Board; as long as there are no changes due to sales of the base assets, general economic situation, developments specific to the company and similar reasons and the fund to be created as a result of the valuation is sufficient to cover the capital loss to occur in the future years, issuing a new interim balance sheet within the scope of TCC 376 however when there is no important change which requires a revaluation of the assets and regarding the fund created as a result of the revaluation, making a material event disclosure in which material event disclosure date when the TCC 376 balance sheet is issued is also specified as of the dates when periodic financial statements are disclosed is necessary,

7) Revaluation by publicly held corporations of which subject of activity is sportive activities or management of the income earned from such activities for their assets in TCC 376 balance sheet with periods up to 2 years and other publicly held corporations up to 5 years and regarding the fund created as a result of the revaluation, giving a material event disclosure as of the dates when periodic financial statements are disclosed is necessary,

D- Application of the provisions in special legislations regarding article 376 of TCC by banks and insurance companies as per article 136 of Capital Markets Board dated 6/12/2012 and no. 6362 and financial leasing, factoring and financing companies as per Financial Leasing, Factoring and Financing Companies Law dated 21/11/2012 and no. 6361 have the force of carrying out the obligations stipulated regarding article 376 of TCC and statements to be given to public are subject to this Decision,

E- Transactions carried/to be carried within the scope of article 376 of TCC are within the responsibility of the board of directors or substitute business.

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NOTE 2-SHAREHOLDERS EQUITY

Brand valuation works made as per the principles specified in the Decision of CMB dated 10 April 2014 and no. 11/352 and their effects on the equity has been specified below:

a) Financial Investments

None.

b) Intangible Assets

Brands which are the intangible fixed assets of the Group were valued by KPMG Bagimsiz Denetim ve SMMM A.S as of 31 December 2019 and it reached a conclusion that their value is between 2,838,000,000 TL and 2,954,000,000 TL. As of 30 September 2020, the Group has concluded that there was no significant change in the fair value of its brands and used the value as of 31 December 2019.

	Book value	Fair value	Fair value difference added to equity
Brands	85,675,510	2,894,000,000	2,808,324,490

c) Equity Reconciliation

Reconciliation between the equity according to the fair values in consolidated statement of financial status dated 30 September 2020 prepared within the frame of the principles specified in Decision of CMB dated 10 April 2014 and no. 11/352 and as per article 376 of TCC and the equity according to the book values recorded in consolidated statement of financial position with the same date and prepared as per CMB Financial Reporting Standards are as follows:

30 September 2020

A- Total Consolidated Equity by Book Values	91,192,969
B- Fair Value Difference Originating from Intangible Assets	2,808,324,490
C- Reported Consolidated Equity	2,899,517,459

In conclusion, it is seen that the measures stipulated in article 376 of TCC are not necessary since more than half of the total capital and legal reserves of our Group is not uncovered due to positive difference as a result of revaluation of the Group assets.