

**CARREFOURSA CARREFOUR
SABANCI TİCARET MERKEZİ A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2023**

(ORIGINALLY ISSUED IN TURKISH)

30 October 2023

This report contains 2 pages of the review report and 45 pages of condensed interim financial statements and notes.



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**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR’S REPORT ORIGINALLY
PREPARED AND ISSUED IN TURKISH TO ENGLISH**

To the Board of Directors of CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi

Introduction

We have reviewed the accompanying condensed statement of financial position of CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi (the “Company”) as at 30 September 2023, and the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended, and notes to the interim financial information (“the condensed interim financial information”). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Turkish Accounting Standard 34 *Interim Financial Reporting* (“TAS 34”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with TAS 34.

Other matter

Our review was conducted in order to express an opinion on the financial statements as a whole. The additional information in Appendix I is not a part of the reviewed financial statements. This additional information has not been reviewed, so we do not express any review results or give any other assurance on this additional information.

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

ORIGINALLY ISSUED IN TURKISH

Erman Durmaz, SMMM
Engagement Partner
30 October 2023
İstanbul, Türkiye

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2023**

CONTENTS	PAGE(S)
CONDENSED BALANCE SHEETS.....	1-2
CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	4
CONDENSED STATEMENTS OF CASH FLOWS	5-6
NOTES TO THE CONDENSED FINANCIAL STATEMENTS	7-45
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	7
NOTE 2 BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS	7-14
NOTE 3 CASH AND CASH EQUIVALENTS	15
NOTE 4 FINANCIAL LIABILITIES	16-18
NOTE 5 TRADE RECEIVABLES AND PAYABLES	19-20
NOTE 6 INVENTORIES	20
NOTE 7 PROPERTY, PLANT AND EQUIPMENT	21-22
NOTE 8 RIGHT OF USE ASSETS	23
NOTE 9 INTANGIBLE ASSETS	24
NOTE 10 GOODWILL	25
NOTE 11 SHORT AND LONG TERM PROVISIONS	25-27
NOTE 12 LETTER OF GUARANTEES, PLEDGES, MORTGAGES AND WARRANTIES.....	28
NOTE 13 EMPLOYEE BENEFIT LIABILITIES	28
NOTE 14 DEFERRED INCOME	29
NOTE 15 SHAREHOLDER'S EQUITY	29-31
NOTE 16 REVENUE AND COST OF SALES.....	32
NOTE 17 MARKETING AND GENERAL ADMINISTRATIVE EXPENSES	33
NOTE 18 EXPENSES BY NATURE	33
NOTE 19 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	34
NOTE 20 INCOME FROM INVESTMENT ACTIVITIES	34
NOTE 21 FINANCE INCOME	35
NOTE 22 FINANCE COSTS.....	35
NOTE 23 TAX ASSETS AND LIABILITIES.....	35-38
NOTE 24 EARNINGS / (LOSS) PER SHARE.....	38
NOTE 25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES	39-41
NOTE 26 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT.....	42-45
NOTE 27 EVENTS AFTER THE BALANCE SHEET DATE.....	45
OTHER INFORMATION	
APPENDIX ADDITIONAL INFORMATION.....	46-48

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED BALANCE SHEETS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Reviewed 30 September 2023	Audited 31 December 2022
ASSETS			
Current Assets		7,938,912	4,713,671
Cash and Cash Equivalents	3	1,483,301	1,192,555
Trade Receivables			
Due From Related Parties	5, 25	106,840	19,328
Due From Third Parties	5	752,013	395,128
Other Receivables			
Due From Third Parties		370,471	155,954
Inventories	6	4,938,941	2,843,751
Prepaid Expenses		287,346	106,955
Non-Current Assets		3,960,252	2,980,608
Other Receivables			
Due From Third Parties		149,897	210,006
Property, Plant and Equipment	7	993,989	756,779
Right of Use Assets	8	1,653,904	1,113,816
Intangible Assets			
Goodwill	10	482,479	482,479
Other Intangible Assets	9	150,182	95,796
Prepaid Expenses		1,782	3,664
Deferred Tax Assets	23	528,019	318,068
TOTAL ASSETS		11,899,164	7,694,279

The accompanying notes form an integral part of these condensed financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED BALANCE SHEETS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Reviewed 30 September 2023	Audited 31 December 2022
LIABILITIES			
Current Liabilities		11,008,891	6,969,002
Short Term Bank Loans			
Short Term Bank Loans from Related Parties	4, 25	51,689	100,603
Other Short Term Bank Loans	4	873,879	1,009,332
Other Financial Liabilities			
Other Financial Liabilities to Third Parties	4	224,299	-
Short Term Portion of Long Term Finance Lease Liabilities			
Other Short Term Portion of Long Term Lease Liabilities	4	388,593	259,558
Trade Payables			
Due to Related Parties	5, 25	44,440	49,002
Due to Third Parties	5	8,518,165	5,138,546
Employee Benefit Liabilities	13	432,343	129,817
Other Payables			
Due to Related Parties	25	161,131	41,522
Due to Third Parties		109,278	63,320
Short Term Provisions			
Provisions for Employment Benefits	11	1,751	5,729
Other Short Term Provisions	11	92,566	76,559
Deferred Income	14	92,590	87,449
Other Short Term Liabilities		18,167	7,565
Non-Current Liabilities		2,176,358	1,505,295
Long Term Finance Lease Liabilities			
Other Long Term Finance Lease Liabilities	4	1,601,935	1,107,299
Long Term Provisions			
Provisions for Employment Benefits	11	574,423	397,996
TOTAL LIABILITIES		13,185,249	8,474,297
EQUITY		(1,286,085)	(780,018)
Shareholders' Equity		(1,286,085)	(780,018)
Share Capital	15	127,774	127,774
Inflation Adjustment Differences to Share Capital	15	678,006	678,006
Share Issue Premium / Discounts		411,665	411,665
Other Accumulated Comprehensive Income and Expenses			
Not to be Reclassified to Profit or Loss			
- Property, Plant and Equipment Revaluation Increases	15	9,595	9,595
- Losses on Remeasurement of Defined Benefit Obligations	15	(424,925)	(237,540)
Restricted Reserves	15	12,318	12,318
Accumulated Losses	15	(1,781,836)	(1,595,004)
Net Loss for the Period		(318,682)	(186,832)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		11,899,164	7,694,279

The accompanying notes form an integral part of these condensed financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 September 2023	Reviewed 1 July - 30 September 2023	Reviewed 1 January - 30 September 2022	Reviewed 1 July - 30 September 2022
PROFIT OR LOSS					
Revenue	16	24,830,998	10,253,296	12,869,943	5,385,617
Cost of Sales (-)	16	(18,470,131)	(7,548,620)	(9,570,285)	(4,022,826)
GROSS PROFIT		6,360,867	2,704,676	3,299,658	1,362,791
Marketing Expenses (-)	17	(4,664,850)	(1,818,919)	(2,408,785)	(952,487)
General Administrative Expenses (-)	17	(621,025)	(235,959)	(280,742)	(107,989)
Other Income From Operating Activities	19	251,930	117,642	79,407	26,986
Other Expenses From Operating Activities (-)	19	(1,065,780)	(521,482)	(497,148)	(194,280)
OPERATING PROFIT		261,142	245,958	192,390	135,021
Income from Investment Activities	20	--	--	42,308	--
Impairment Loss and Reversals of Impairment Losses in Accordance with TFRS 9	5	(1,368)	(707)	(552)	(252)
OPERATING PROFIT BEFORE FINANCE COSTS		259,774	245,251	234,146	134,769
Finance Income	21	17,882	7,344	12,770	6,616
Finance Costs (-)	22	(743,831)	(311,562)	(476,155)	(175,621)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(466,175)	(58,967)	(229,239)	(34,236)
Tax Income		147,493	101,456	44,697	4,014
- Deferred Tax Income	23	147,493	101,456	44,697	4,014
NET PROFIT / (LOSS) FOR THE PERIOD		(318,682)	42,489	(184,542)	(30,222)
OTHER COMPREHENSIVE LOSS					
Items that will not be reclassified to profit or loss		(187,385)	(41,840)	(71,773)	(36,403)
- Remeasurements of defined benefit liability		(249,843)	(67,915)	(89,716)	(45,503)
- Remeasurements of defined benefit liability, tax effect		62,458	26,075	17,943	9,100
OTHER COMPREHENSIVE LOSS		(187,385)	(41,840)	(71,773)	(36,403)
TOTAL COMPREHENSIVE PROFIT / (LOSS)		(506,067)	649	(256,315)	(66,625)
Profit / (loss) per share (1 TRY per share)					
Basic profit / (loss) per share					
Basic profit / (loss) per share from continued operations		(2.4941)	0.3325	(1.4443)	(0.2365)
Basic profit / (loss) per share from discontinued operations		-	-	-	-
Total basic earnings per share	24	(2.4941)	0.3325	(1.4443)	(0.2365)
Diluted profit / (loss) per share					
Diluted profit / (loss) per share from continued operations		(2.4941)	0.3325	(1.4443)	(0.2365)
Diluted profit / (loss) per share from discontinued operations		-	-	-	-
Total diluted profit / (loss) per share		(2.4941)	0.3325	(1.4443)	(0.2365)

The accompanying notes form an integral part of these condensed financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

Reviewed (Note 15)	Share Capital	Inflation Adjustment Differences to Share Capital	Share Issue Premium / Discounts	Property, Plant and Equipment Revaluation Increases	Actuarial Loss	Restricted Reserves	Accumulated Losses	Net Loss for the Period	Total
Balance at 1 January 2022	127,774	678,006	411,665	97,694	(39,249)	12,318	(1,252,610)	(430,493)	(394,895)
Transfers	-	-	-	-	-	-	(430,493)	430,493	-
Sale of Real Estate	-	-	-	(88,099)	-	-	88,099	-	-
Total Comprehensive Loss	-	-	-	-	(71,773)	-	-	(184,542)	(256,315)
Balances at 30 September 2022	127,774	678,006	411,665	9,595	(111,022)	12,318	(1,595,004)	(184,542)	(651,210)
Balance at 1 January 2023	127,774	678,006	411,665	9,595	(237,540)	12,318	(1,595,004)	(186,832)	(780,018)
Transfers	-	-	-	-	-	-	(186,832)	186,832	-
Total Comprehensive Loss	-	-	-	-	(187,385)	-	-	(318,682)	(506,067)
Balances at 30 September 2023	127,774	678,006	411,665	9,595	(424,925)	12,318	(1,781,836)	(318,682)	(1,286,085)

The accompanying notes form an integral part of these condensed financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	Reviewed 1 January - 30 September 2023	Reviewed 1 January - 30 September 2022
Net loss for the period		(318,682)	(184,542)
Adjustments to reconcile net loss for the period		1,384,392	793,966
- Depreciation of property, plant and equipment	7	151,667	107,558
- Amortization of right of use asset	8	393,017	225,479
- Amortization of intangible assets	9	46,673	25,500
- Profit from the sale of tangible assets	20	--	(42,308)
- Net change in risk, lawsuit, personnel, SSI and other provisions	11	16,007	10,529
- Adjustments to interest income	21	(17,882)	(12,770)
- Adjustments to interest expense	22	743,831	476,155
- (Reversal of) impairment provision	7, 9	--	(233)
- Provision for unused vacation pay liability	11	(3,978)	(1,874)
- Provision for employment termination benefit	11	168,472	40,759
- Allowance for doubtful receivables	5	2,496	1,418
- Provision for impairment on inventory	6	10,279	2,198
- Unrealized foreign exchange loss		21,303	6,252
- Tax income	23	(147,493)	(44,697)
Changes in working capital		1,197,914	413,409
- Increase in other trade receivables, including collection of doubtful receivables		(359,381)	(92,996)
- Increase in inventories		(2,105,469)	(1,106,088)
- Increase due from related parties		(87,512)	(50,126)
- Increase in other receivables and current assets		(154,407)	(226,529)
- Increase in prepaid expenses		(128,509)	(46,765)
- Increase in other short term payables		45,958	18,968
- Increase in other trade payables		3,553,918	1,810,704
- Increase / (decrease) in payables due to related parties		115,047	(433)
- Increase in employee benefit liabilities		302,526	103,961
- Increase in other short-term liabilities		15,743	2,713
Cash from operating activities		2,263,624	1,022,833
- Employee termination benefits paid	11	(241,888)	(22,430)
Net cash from operating activities		2,021,736	1,000,403

The accompanying notes form an integral part of these condensed financial statements.

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

		Reviewed 1 January - 30 September 2023	Reviewed 1 January - 30 September 2022
CASH FLOWS FROM INVESTING ACTIVITIES	Notes		
- Acquisition of property, plant and equipment	7	(415,949)	(191,589)
- Acquisition of intangible assets	9	(100,049)	(41,891)
- Proceeds from sale of tangible and intangible assets		26,061	175,017
Net cash used in investing activities		(489,937)	(58,463)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Proceeds from bank borrowings	4	868,500	845,000
- Repayment of borrowings		(1,020,500)	(464,000)
- Repayment of finance lease payables	4	(638,374)	(383,705)
- Paid finance costs		(447,258)	(255,364)
- Interest received	21	17,882	12,770
Net cash used in financing activities		(1,219,750)	(245,299)
Increase / (decrease) in cash and cash equivalents		312,049	696,641
Cash and cash equivalents at the beginning of the year		1,192,555	873,979
- The impact of change in foreign currency exchange rate over cash and cash equivalents		(21,303)	(6,251)
Cash and cash equivalents at the end of the period	3	1,483,301	1,564,369

The accompanying notes form an integral part of these condensed financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

1. ORGANISATION AND NATURE OF OPERATIONS

CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi (“The Company”) was established in 1991 to operate in the hypermarket and supermarket sectors in Turkey. The registered address of the Company is Cevizli Mahallesi, Tugay Yolu Caddesi No:67A, B Blok Maltepe / İstanbul.

The Company’s shares have been traded on Borsa İstanbul A.Ş. since 2006.

The number of personnel is 10,423 as of 30 September 2023 (31 December 2022: 10,663).

As of 30 September 2023, the Company has 22 hypermarkets, 287 franchises and 672 supermarkets (31 December 2022: 23 hypermarkets, 200 franchise, 672 supermarkets).

On 15 May 2015, the Company has signed Share Purchase Agreement with Kiler Holding Anonim Şirketi, Nahit Kiler, Ümit Kiler, Vahit Kiler, Hikmet Kiler, Sevgül Kiler and Denge Reklam San. ve Tic. Ltd. Şti. (“Vendors”), in order to acquire 85% of the shares of Kiler Alışveriş Hizmetleri Gıda Sanayi ve Ticaret Anonim Şirketi (“Kiler Alışveriş”), of which 15% of its shares are publicly traded in Borsa İstanbul A.Ş., with an amount of TRY 429,574. The share purchase demand has been approved by Turkish Competition Authority on 30 September 2015, with decision numbered 61813209-120-6544. The Company has taken over the management of Kiler Alışveriş on 8 July 2015 and has paid the agreement amount of TRY 429,574 by cash to the vendors on same day.

As a result of mandatory tender offer between 17 September - 5 October 2015, ownership rate of the Company has increased to 97.27% by paying additional TRY 62,291 and has been started to consolidate by using full consolidation method as of 30 September 2015. The Company has decided legal merge with Kiler Alışveriş by acquisition method, with the Board decision on 20 October 2015. The legal merge has been approved by Capital Market Board (“CMB”) on 27 November 2015, with decision numbered 32/1493. The legal merge has been realized by the decision of Extraordinary General Assembly held on 29 December 2015 and registered on 31 December 2015. The Company has intended to grow inorganically in the market with that business combination.

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.1 Basis of the Presentation

(a) Statement of compliance with Turkish Financial Reporting Standards (“TFRS”)

According to the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013, the accompanying condensed interim financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”). TFRS is composed of Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards and its addendum and interpretations issued by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The condensed interim financial statements are presented in accordance with the formats determined in the “Announcement on TFRS Taxonomy” published by POA on 15 April 2019 and the Illustrative Financial Statements and User Guide published by CMB.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed version. The Company’s condensed interim financial statements do not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed interim financial statements should be considered together with the financial statements as of 31 December 2022.

Approval of condensed interim financial statements:

The accompanying condensed interim financial statements of the Company has been approved by the Company’s Board of Directors on 30 October 2023. General Assembly and related legal institutions have the right to amend these condensed financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.1 Basis of the Presentation (Continued)

(b) Basis of measurement

The condensed interim financial statements have been prepared by reflecting the necessary adjustments and classifications to make the correct presentation in accordance with TFRS to the legal records prepared on the historical cost basis.

(c) Presentation and functional currency

The condensed interim financial statements have been presented in Turkish Lira (“TRY”), which is Company’s functional currency. All financial information presented in TRY has been rounded to the nearest thousand TRY unless otherwise stated.

2.2 Financial Reporting in Hyperinflationary Economies

In accordance with the announcement made by the POA on 20 January 2022, it has been stated that companies applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies (“TAS 29”). Since no new announcement has been made by POA regarding the application of inflation accounting, no inflation adjustment has made in accordance with TAS 29 while preparing the interim financial statements as of 30 September 2023.

2.3 Changes in Accounting Policies, Comparative Information and Restatement of Prior Periods’ Financial Statements

To allow for the determination of the financial situation and performance trends, the Company’s condensed interim financial statements have been presented comparatively with the previous period. The Company presented condensed balance sheet as of 30 September 2023 comparatively with the balance sheet as of 31 December 2022; condensed statements of profit or loss and other comprehensive income, condensed statements of cash flow and condensed statements of change in shareholders’ equity as of 30 September 2023 comparatively with condensed financial statements as of 30 September 2022. Where necessary, comparative figures have been reclassified to conform to the changes in presentation in the current period.

2.4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.5 Changes in Significant Accounting Policies

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Company’s financial statements as at and for the year ended 31 December 2022.

2.6 Significant Accounting Estimates and Assumptions

The preparation of condensed financial statements requires the Company management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and necessary adjustments are recognized in profit or loss in which they are realized.

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.6 Significant Accounting Estimates and Assumptions (Continued)

Significant estimates used in the preparation of these condensed financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

2.6.1 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. In that scope, as of 30 September 2023 and 31 December 2022 the Company evaluated the current risks and booked related provisions.

2.6.2 Deferred tax asset

The Company recognizes deferred tax asset and liability on the differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with TFRS and the corresponding tax bases which is used in the computation of taxable profit. Under current circumstances, the partial or complete recoverable amounts of deferred tax assets are predicted. During the evaluation, future profit projections, current year's losses, unused losses, and the expiration dates of other tax assets, and if necessary, tax planning strategies are considered. Based on the data obtained, if the Company's taxable profit, which will be obtained in the future, is not enough to fulfill the deferred tax assets, a provision is provided either for the whole or for a certain part of the deferred tax asset. As of 30 September 2023 and 31 December 2022, after the necessary evaluations, the deferred tax assets are accounted because of expectation of taxable profit in the future.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods. Deferred tax assets consisting of carry-forward tax losses are recognized on the condition that it is highly probable that these differences will be benefited from by generating taxable profit in the future.

2.6.3 Evaluation of financial position

The Company has recognized TRY 318,682 loss for the nine-month interim period ended 30 September 2023 and current year loss together with accumulated losses has reached to TRY 2,100,518. As of 30 September 2023, the Company has an equity deficit of TRY 1,286,085.

The Ministry of Commerce published in the Official Gazette dated 26 December 2020 and numbered 31346, "Communiqué on the amendment of the communiqué on the procedures and principles regarding the implementation of the 376th article of the Turkish Commercial Code numbered 6102" and important changes have been made in the communiqué in force. Pursuant to this change; Until 1/1/2023, within the scope of article 376 of the Turkish Commercial Code No. 6102, calculations regarding loss of capital or insolvency (i) all foreign exchange losses arising from unfulfilled foreign currency liabilities and accrued for 2020 and 2021, (ii) half of expenses arising from leases, (iii) half of depreciations and (iv) half of the total personnel expenses may not be considered.

With the "Communiqué (Communiqué) amending the communiqué on the principles and procedures regarding the implementation of Article 376 of the Turkish Commercial Code No. 6102" published by the Ministry of Commerce in the Official Gazette dated 8 November 2022 and numbered 32007, the calculations regarding loss of capital or insolvency, the deadline for items to be excluded from the calculation has been postponed from 1 January 2023 to 1 January 2024.

In the determination of these amounts, calculations should be made in such a way that there will be no duplication, and there should be no adjustment of the calculations to be made in the prepared financial statements, and this situation should be presented in the notes for informational purposes.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.6 Significant Accounting Estimates and Assumptions (Continued)

2.6.3 Evaluation of financial position (Continued)

With the aforementioned change in legislation, as a result of the calculations made regarding the capital loss and insolvency status within the scope of article 376 of the Turkish Commercial Code (TCC), it has been determined that the shareholders' equity of the Company is (+) TRY 318,594 above the minimum limits set out in Article 376 of the TCC and the Principle Decision of the Capital Markets Board (CMB) dated 10 April 2014, and no. 11/352. In this context, the Company has no obligation to prepare an interim balance sheet as set out in the third paragraph of Article 376 of the TCC.

The company has set its strategic goals to achieve sustainable growth and net profitability. Franchise, e-commerce, corporate – wholesale are areas of focus for growth. It is aimed to be the leader of fresh, healthy and right food by keeping sustainability at the center. CRM and digitalization are the main tools to be used to achieve the goals. Efficient space management, simplification and private label development are also among the strategic priorities of the Company.

2.7 Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of 30 September 2023

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however, the Company has not early adopted are as follows.

TFRS 17 – Insurance Contracts

On 16 February 2019, POA issued TFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. TFRS 17 replaces TFRS 4, which was brought in as an interim Standard in 2004. TFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. TFRS 17 solves the comparison problems created by TFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. TFRS 17 has an effective date of 1 January 2024.

The Company does not expect that application of TFRS 17 will have significant impact on its financial statements.

Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17)

In December 2021, International Accounting Standards Board (IASB) issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17). Related changes were published by POA as Amendments to TFRS 17 on 31 December 2021.

The amendment is a transition option relating to comparative information about financial assets presented on initial application of TFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. TFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2024.

The Company does not expect that application of these amendments to TFRS 17 will have significant impact on its financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

2.7 Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of 30 September 2023 (Continued)

Standards issued but not yet effective and not early adopted (Continued)

Classification of Liabilities as Current or Non-current (Amendments to TAS 1)

On 23 January 2020, IASB issued “Classification of Liabilities as Current or Non-Current” which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Related amendment was published by POA as “TFRS 2023” on 3 January 2023.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to TAS 1.

Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Related amendment was published by POA as “TFRS 2023” on 3 January 2023. Amendments to TFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of TFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of TFRS 16 in 2019, and potentially restate those that included variable lease payments.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to Amendments to TFRS 16 Leases.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.7 Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of 30 September 2023 (Continued)

Standards issued but not yet effective and not early adopted (Continued)

Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures. Related amendment was published by POA on 19 September 2023. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows.

The IASB’s amendments apply to supplier finance arrangements¹ that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in TAS 7 and another in TFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.

Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

IASB has amended TAS 12 to:

- provide a temporary mandatory relief from deferred tax accounting for top-up tax; and
- require companies to provide new disclosures to compensate for the potential loss of information resulting from the relief.

IASB has amended TAS 12 to introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing the GloBE model rules. Related amendment was published by POA on 19 September 2023. Under the relief, companies are effectively exempt from providing for and disclosing deferred tax related to top-up tax. However, they need to disclose that they have applied the relief.

The relief is effective immediately and applies retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. It will apply until the IASB decides either to remove it or to make it permanent.

IASB has introduced new disclosures, that companies are required to provide in their financial statements from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.7 Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of 30 September 2023 (Continued)

Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules (Continued)

The Company is assessing the potential impact on its financial statements resulting from the application of the Amendments to TAS 12.

The new standards, amendments and interpretations that are issued by the IASB/ISSB but not issued by POA

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS® Sustainability Disclosure Standards (IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on.

The ISSB’s first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies’ future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt.

The Company is assessing the potential impact on its financial statements resulting from the application of the amendments to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.7 Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of 30 September 2023 (Continued)

The new standards, amendments and interpretations that are issued by the IASB/ISSB but not issued by POA (Continued)

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (Continued)

- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Company does not expect that application of these Amendments to IAS 12 will have significant impact on its financial statements.

Amendments to IAS 12- IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules

On 29 September 2023, IASB has also published amendments to Section 29 *Income Tax* of the *IFRS for SMEs* Accounting Standard. They are similar to those made to IAS 12 under the full IFRS Accounting Standards, although the approach to disclosures about exposure to the top-up tax differs.

Companies can benefit from the temporary exception in this amendment immediately. They are required to provide the disclosures set out in the amendments for annual reporting periods beginning on or after 1 January 2023.

Amendments are effective on 1 January 2023

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2023:

- 1- Disclosure of Accounting Policies (Amendments to TAS 1)
- 2- Definition of Accounting Estimates (Amendments to TAS 8)
- 3- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

3. CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 September 2023 and 31 December 2022 are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Cash on hand	59,531	70,035
Cash in transit (*)	108,131	75,110
Credit card receivables	518,986	780,594
Banks		
Time deposit	410,820	106,093
Demand deposit	385,833	160,723
	<u>1,483,301</u>	<u>1,192,555</u>

(*) Cash in transit consists of bank balances that has not been reflected into deposit accounts due to value-date difference.

Related party balances in cash and cash equivalents are stated in Note 25.

As of 30 September 2023 and 31 December 2022 time deposits are as follows:

Currency	Interest rate	Maturity	30 September 2023
TRY	32.00%	2 October 2023	250,000
	43.50%	31 October 2023	160,000
		Interest Accrual	820
			<u>410,820</u>
Currency	Interest rate	Maturity	31 December 2022
TRY	26.25%	2 January 2023	106,000
		Interest Accrual	93
			<u>106,093</u>

The Company does not have any blocked deposits as of 30 September 2023 and 31 December 2022.

The Company’s exposure to currency and interest rate risks and relevant sensitivities for cash and cash equivalents are disclosed in Note 26.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

4. FINANCIAL LIABILITIES

As of 30 September 2023 and 31 December 2022, the details of financial liabilities are as follows;

<u>Short Term Financial Liabilities</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Short Term Financial Liabilities from Related Parties		
Bank loans with fixed interest rates (*)	51,689	100,603
Other Short Term Financial Liabilities		
Bank loans with fixed interest rates (*)	295,883	898,143
Bank loans with variable interest rates (*)	327,371	111,189
Sukuk issuance (**)	250,625	-
	<u>925,568</u>	<u>1,109,935</u>
<u>Other Short Term Financial Liabilities</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Credit Card Liabilities to Third Parties	224,299	--
	<u>224,299</u>	<u>--</u>
<u>Short Term Portion of Long Term Financial Liabilities</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Lease liabilities	388,593	259,558
	<u>388,593</u>	<u>259,558</u>
<u>Long Term Financial Liabilities</u>		
Lease liabilities	1,601,935	1,107,299
	<u>1,601,935</u>	<u>1,107,299</u>

(*) As of 30 September 2023 and 31 December 2022 the details of short-term financial liabilities are as follows:

<u>Currency</u>	<u>Interest Rate (i)</u>	<u>30 September 2023</u>
TRY (Fixed interest rate)	33.84%	588,500
TRY (Variable interest rate)	24.57%	300,000
	Interest accrual	37,068
		<u>925,568</u>
<u>Currency</u>	<u>Interest Rate (i)</u>	<u>31 December 2022</u>
TRY (Fixed interest rate)	20.06%	940,500
TRY (Variable interest rate)	17.34%	100,000
	Interest accrual	69,435
		<u>1,109,935</u>

(i) The interest rate was calculated by the weighted average method.

(**) As of 30 September 2023, sukuk amounting to TRY 250,000 with maturity of 179 days and interest rate of 45% was issued.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

4. FINANCIAL LIABILITIES (Continued)

Company’s financial liabilities due to related parties are stated in Note 25.

Finance lease payables consist of the followings:

<u>Finance lease payables</u>	<u>Present value of minimum lease payments</u>	
	<u>30 September 2023</u>	<u>31 December 2022</u>
Within one year	785,500	533,712
Less : Future finance charges	(396,907)	(274,154)
Present value of finance lease liabilities	<u>388,593</u>	<u>259,558</u>
Two years and after	2,902,684	1,931,987
Less : Future finance charges	(1,300,749)	(824,688)
Present value of finance lease liabilities	<u>1,601,935</u>	<u>1,107,299</u>

The Company’s finance lease payables represent the present value of the future payables of the store, vehicles, buildings and machinery and equipment that are rented from third parties through their useful lives.

The repayment schedule of long-term borrowings as of 30 September 2023 and 31 December 2022 in TRY equivalent as at balance sheet date is as stated below:

	<u>30 September 2023</u>	<u>31 December 2022</u>
2024	88,757	98,724
2025	102,027	92,877
2026	106,234	87,989
2027	79,401	58,111
2028 and after	<u>1,225,516</u>	<u>769,598</u>
	<u>1,601,935</u>	<u>1,107,299</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

4. FINANCIAL LIABILITIES (Continued)

The reconciliation of the Company's obligations arising from its borrowings for the nine-month period ended 30 September 2023 and 2022 is as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Borrowings as of 1 January	1,109,935	1,189,856
Current period additions	868,500	845,000
Current period interest and capital repayments	(1,415,803)	(700,003)
Current period interest expenses (including accruals)	362,936	248,929
Borrowings as of 30 September	<u>925,568</u>	<u>1,583,782</u>

The reconciliation of the Company's obligations arising from its lease liability for the nine-month period ended 30 September 2023 and 2022 is as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Operating lease as of 1 January	1,366,857	1,035,718
Current period net change in operating lease liability	933,105	446,323
Current period lease payment	(638,374)	(383,705)
Current period interest expenses	328,940	207,864
Lease liabilities as of 30 September	<u>1,990,528</u>	<u>1,306,200</u>

As of 30 September 2023, and 31 December 2022, there are no guarantees given related to the financial borrowings.

The Company's exposure to foreign exchange risk related to borrowings is disclosed in Note 26.

As of 30 September 2023 and 31 December 2022, the Company has export commitment for some of the loans has been used.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

5. TRADE RECEIVABLES AND PAYABLES

Detail of trade receivables and payables as of 30 September 2023 and 31 December 2022 are as follows:

<u>Short Term Trade Receivables</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade receivables from third parties	770,864	413,081
Shopping mall receivables	7,145	6,662
Provision for doubtful trade receivables	(25,996)	(24,615)
	<u>752,013</u>	<u>395,128</u>
Due from related parties (Note 25)	106,840	19,328
	<u>858,853</u>	<u>414,456</u>

The movement of provision for doubtful receivables for the nine-month period ended 30 September 2023 and 2022 are as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Opening balance	24,615	31,419
Collections	(1,115)	(866)
Charge for the period	2,496	1,418
Closing balance	<u>25,996</u>	<u>31,971</u>

Trade receivables due dates vary depending on the sector and entity and the average due dates are lower than three months.

The Company evaluates the credibility of the receivable and the movement between the creation time of the receivable and reporting date when considering the collectability of its receivables. As the Company is working with a large number of clients, credit risk of the Company has been scattered and there is no concentrated credit risk.

The guarantees received for the Company’s trade receivables are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Letters of guarantee received for receivables	516,474	256,286
	<u>516,474</u>	<u>256,286</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

5. TRADE RECEIVABLES AND PAYABLES (Continued)

<u>Short Term Trade Payables</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Other trade payables	8,518,165	5,138,546
Due to related parties (Note 25)	44,440	49,002
	<u>8,562,605</u>	<u>5,187,548</u>

Average payment terms of commodity purchase are varying depending on sector and suppliers.

As of 30 September 2023 and 31 December 2022, the average payment term is less than three months.

The exchange rate risk for the Company's trade receivables and payables is disclosed in Note 26.

6. INVENTORIES

	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade goods	4,963,924	2,859,701
Impairment of inventories	(24,983)	(15,950)
	<u>4,938,941</u>	<u>2,843,751</u>

The movement of allowance for impairment on inventory for the periods ended 30 September 2023 and 2022 are as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Opening balance	15,950	13,335
Charge of the period	10,279	2,198
Current period reversal	(1,246)	(2,191)
Closing balance	<u>24,983</u>	<u>13,342</u>

Allowance for impairment on inventory for the nine-month period ended 30 September 2023 and 2022 is recognized in cost of sales (Note 16).

For the nine-month period ended 30 September 2023, cost of inventory recognized in profit or loss statement is TRY 18,470,131 (30 September 2022: TRY 9,570,285) (Note 16).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Machinery and Equipment	Other Tangible Assets	Construction in Progress	Total
<u>Cost</u>					
Opening balance, 1 January 2023	-	1,481,774	168,648	28,541	1,678,963
Additions	-	356,302	158	59,489	415,949
Transfers (Note 9)	-	24,778	-	(25,799)	(1,021)
Disposals (*)	-	(24,833)	(26,307)	-	(51,140)
Closing balance, 30 September2023	-	1,838,021	142,499	62,231	2,042,751
<u>Accumulated depreciation</u>					
Opening balance, 1 January 2023	-	(839,886)	(82,298)	-	(922,184)
Depreciation charge of the period	-	(146,602)	(5,065)	-	(151,667)
Disposals (*)	-	19,511	5,578	-	25,089
Closing balance, 30 September2023	-	(966,977)	(81,785)	-	(1,048,762)
Net book value, 1 January 2023	-	641,888	86,350	28,541	756,779
Net book value, 30 September2023	-	871,044	60,714	62,231	993,989

As of 30 September 2023, TRY 506,466 (30 September 2022: TRY 319,745) of depreciation and amortization expenses is included in marketing expenses and TRY 84,891 (30 September 2022: TRY 38,792) of depreciation and amortization expenses is included in general administrative expenses.

(*) It includes the disposals of the stores that were closed during the period.

As of 30 September 2023, total insurance amount over property, plant and equipment is TRY 4,689,414 (31 December 2022: TRY 3,106,272).

As of 30 September 2023 and 31 December 2022 there is no mortgage on property, plant and equipment.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Machinery and Equipment	Other Tangible Assets	Construction in Progress	Total
<u>Cost</u>					
Opening balance, 1 January 2022	118,700	1,164,544	144,890	10,404	1,438,538
Additions	-	139,658	26,573	25,358	191,589
Transfers (Note 9)	-	9,763	-	(9,919)	(156)
Impairments cancelled	-	525	-	-	525
Disposals (*)	(118,700)	(14,715)	(2,884)	(17)	(136,316)
Closing balance, 30 September2022	-	1,299,775	168,579	25,826	1,494,180
<u>Accumulated depreciation</u>					
Opening balance, 1 January 2022	-	(724,633)	(73,999)	-	(798,632)
Depreciation charge of the period	-	(99,512)	(8,046)	-	(107,558)
Impairments cancelled	-	(295)	-	-	(295)
Disposals (*)	-	10,421	2,231	-	12,652
Closing balance, 30 September2022	-	(814,019)	(79,814)	-	(893,833)
Net book value, 1 January 2022	118,700	439,911	70,891	10,404	639,906
Net book value, 30 September2022	-	485,756	88,765	25,826	600,347

(*) The Company sold its real estate in Antalya on 15 March 2022. It also includes the disposals of the stores that were closed during the period.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

8. RIGHT OF USE ASSETS

<u>Cost</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Opening balance, 1 January 2023	2,051,796	10,784	2,062,580
Additions	924,778	29,145	953,923
Disposals	(32,346)	-	(32,346)
Closing balance, 30 September 2023	2,944,228	39,929	2,984,157
<u>Accumulated depreciation</u>			
Opening balance, 1 January 2023	(937,980)	(10,784)	(948,764)
Depreciation charge of the period	(371,158)	(21,859)	(393,017)
Disposals	11,528	-	11,528
Closing balance, 30 September 2023	(1,297,610)	(32,643)	(1,330,253)
Net book value, 1 January 2023	1,113,816	-	1,113,816
Net book value, 30 September 2023	1,646,618	7,286	1,653,904
<u>Cost</u>			
Opening balance, 1 January 2022	1,429,433	12,445	1,441,878
Additions	450,579	21,552	472,131
Disposals	(23,724)	(23,213)	(46,937)
Closing balance, 30 September 2022	1,856,288	10,784	1,867,072
<u>Accumulated depreciation</u>			
Opening balance, 1 January 2022	(578,503)	(12,445)	(590,948)
Depreciation charge of the period	(216,739)	(8,740)	(225,479)
Disposals	7,752	13,342	21,094
Closing balance, 30 September 2022	(787,490)	(7,843)	(795,333)
Net book value, 1 January 2022	850,930	-	850,930
Net book value, 30 September 2022	1,068,798	2,941	1,071,739

The Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

As of 30 September 2023, the amount of the prepaid unrealized rent expenses that are recognized in the Company's right of use assets is TRY 15,378 (30 September 2022: TRY 11,702).

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

9. INTANGIBLE ASSETS

Other Intangible Assets

<u>Cost</u>	<u>Total</u>
Opening balance, 1 January 2023	315,643
Additions	100,049
Transfers (Note 7)	1,021
Disposals	(61)
Closing balance, 30 September 2023	416,652
<u>Accumulated amortization</u>	
Opening balance, 1 January 2023	(219,847)
Charge for the period	(46,673)
Disposals	50
Closing balance, 30 September 2023	(266,470)
Net book value, 1 January 2023	95,796
Net book value, 30 September 2023	150,182

<u>Cost</u>	<u>Total</u>
Opening balance, 1 January 2022	240,362
Additions	41,891
Transfers (Note 7)	156
Impairments cancelled	7
Disposals	(1,212)
Closing balance, 30 September 2022	281,204
<u>Accumulated amortization</u>	
Opening balance, 1 January 2022	(184,237)
Charge for the period	(25,500)
Impairments cancelled	(4)
Disposals	1,117
Closing balance, 30 September 2022	(208,624)
Net book value, 1 January 2022	56,125
Net book value, 30 September 2022	72,580

The intangible assets are mainly consisting of excess cash paid for asset acquisitions and software programs.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

10. GOODWILL

Goodwill amount is consisted of following investments:

<u>Investments:</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Kiler Alışveriş	254,019	254,019
Gima	180,159	180,159
Alpark	48,301	48,301
	<u>482,479</u>	<u>482,479</u>

11. SHORT AND LONG TERM PROVISIONS

Provisions for short term liabilities as of 30 September 2023 and 31 December 2022 are as follows:

<u>Short Term Provisions</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for litigations and risks	61,973	47,316
Provision for personnel and social security	30,593	29,243
	<u>92,566</u>	<u>76,559</u>

Movements of provision for short term liabilities for the nine-month period ended 30 September 2023 and 2022 are as follows:

	<u>Provision for litigations and risks</u>	<u>Provision for personnel and social security</u>	<u>Total</u>
Opening balance, 1 January 2023	47,316	29,243	76,559
Charge of the period	15,391	10,094	25,485
Current year reversal / charge	(734)	(8,744)	(9,478)
Closing balance, 30 September 2023	<u>61,973</u>	<u>30,593</u>	<u>92,566</u>

	<u>Provision for litigations and risks</u>	<u>Provision for personnel and social security</u>	<u>Total</u>
Opening balance, 1 January 2022	40,315	23,774	64,089
Charge of the period	10,100	5,045	15,145
Current year reversal / charge	(3,963)	(653)	(4,616)
Closing balance, 30 September 2022	<u>46,452</u>	<u>28,166</u>	<u>74,618</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

11. SHORT AND LONG TERM PROVISIONS (Continued)

Contingent Assets and Liabilities

There are lawsuits which are filed against the Company and continuing as at balance sheet date. Primary lawsuits consist of the cases with Social Security Institution, debt, rent and labor cases. At each balance sheet date, the management of the Company evaluates the probable results of those cases and accordingly provisions are provided.

Pursuant to the Competition Authority's decision dated 7 May 2020 and numbered 20-23/298-M, during the Covid-19 epidemic, it was aimed to examine the pricing behavior of chain markets dealing with retail food and cleaning products and manufacturers and wholesalers, which are their suppliers. As a result of the investigation, in accordance with the Competition Board's decision dated 28 October 2021 and numbered 21-53/747-360; it has been decided to impose an administrative fine of TRY 142,470, at the rate of 1.8% of the annual gross income of the Company, which was gathered by the end of the 2020, and the reasoned decision on the subject was notified on 14 January 2022.

The relevant amount was paid within on 11 February 2022 as TRY 106,852, with a 25% discount on advance payment, without prejudice to all objections and lawsuits. Legal remedies against punishment applied.

It was notified to the Company by the Tax Office that 50% of the administrative fine, that has been paid, was restructured as per the “Law on Restructuring of Receivables and Amending Certain Laws” which was published in the Official Gazette on 12 March 2023 numbered 32130, and it has been decided to refund TRY 53,426 back to the Company on 6 September 2023 as a result of the refund request made.

The action for the annulment of the administrative fine filed by the Company at the Ankara Administrative Court on 10 March 2022 was waived on 29 May 2023. Thus, the amount paid within the scope of the Competition Authority's decision dated 28 October 2021 and numbered 21-53/747-360 has been finalized as TRY 53,426.

Since the portion of the total amount of TRY 106,852, previously accounted as “long-term other receivables” related to the Competition Authority case has been finalized at TRY 53,436, the relevant amount has been accounted for under other expenses from operating activities. The refunded amount of TRY 53,426 has been offset against the Company's tax and other legal liabilities incurred during the first nine months of 2023.

Provisions for employment benefits as of 30 September 2023 and 31 December 2022 are as follows:

<u>Short Term Employment Benefits</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Unused vacation provision	1,751	5,729
	<u>1,751</u>	<u>5,729</u>
<u>Long term provisions</u>		
<u>Long Term Employment Benefits</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Employment termination benefit provision	574,423	397,996
	<u>574,423</u>	<u>397,996</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

11. SHORT AND LONG TERM PROVISIONS (Continued)

Movement for employment termination benefit provision for the nine-month period ended 30 September 2023 and 2022 are as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Opening balance, 1 January	397,996	126,260
Service cost	137,178	20,430
Interest cost	31,294	20,329
Actuarial loss	249,843	89,716
Compansations paid	(241,888)	(22,430)
Closing balance, 30 September	<u>574,423</u>	<u>234,305</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

12. LETTER OF GUARANTEES, PLEDGES, MORTGAGES AND WARRANTIES

GPMW given by the Group

	<u>30 September 2023</u>	<u>31 December 2022</u>
A. GPMW given on behalf of its own legal entity	668,741	430,680
B. GPMW given on behalf of consolidated subsidiaries	-	-
C. Total amount of GPMW given on behalf of other third parties' debt	-	-
D. Other GPMW	-	-
i. Total amount of GPMW given on behalf of the Parent	-	-
ii. Total amount of GPMW given on behalf of other group companies not covered in B and C	-	-
iii. Total amount of GPMW given on behalf of third parties not covered in C	-	-
	<u>668,741</u>	<u>430,680</u>

30 September 2023

	Total TRY	TRY	USD (TRY Equivalent)	EUR (TRY Equivalent)
Letter of guarantees	668,741	659,971	7,099	1,671
	<u>668,741</u>	<u>659,971</u>	<u>7,099</u>	<u>1,671</u>

31 December 2022

	Total TRY	TRY	USD (TRY Equivalent)	EUR (TRY Equivalent)
Letter of guarantees	430,680	416,025	4,581	10,074
	<u>430,680</u>	<u>416,025</u>	<u>4,581</u>	<u>10,074</u>

13. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities as of 30 September 2023 and 31 December 2022 are as follows:

<u>Employee Benefit Liabilities</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Personnel salary and premium payables	240,487	32,860
Payables to personnel and social security premiums payable	191,856	96,957
	<u>432,343</u>	<u>129,817</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

14. DEFERRED INCOME

Deferred income as of 30 September 2023 and 31 December 2022 are as follows:

<u>Deferred Income</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Unearned income	84,243	81,644
Liabilities for shopping cheques	8,347	5,805
	<u>92,590</u>	<u>87,449</u>

15. SHAREHOLDERS' EQUITY

a) Capital

Shareholder structure as of 30 September 2023 and 31 December 2022 is stated below:

<u>Shareholders</u>	<u>(%)</u>	<u>30 September 2023</u>	<u>(%)</u>	<u>31 December 2022</u>
Hacı Ömer Sabancı Holding A.Ş.	57.12	72,988	57.12	72,988
Carrefour Nederland BV	32.16	41,098	32.16	41,098
Shares publicly held and other	10.72	13,688	10.72	13,688
Nominal share capital	<u>100.00</u>	<u>127,774</u>	<u>100.00</u>	<u>127,774</u>

The capital of the Company as of 30 September 2023 is TRY 127,774 TRY (31 December 2022: TRY 127,774) divided into 12,777,376,572 shares (31 December 2022: 12,777,376,572 shares) each worth 1 Kuruş. The registered capital ceiling of the company is TRY 635,000 and the registered capital ceiling permission is valid between 2020/2024 (5 years).

At the Extraordinary General Assembly Meeting held on 19 November 2020, it was decided to reduce issued capital of TRY 700,000 to TRY 104,244 by reducing TRY 595,756 and to simultaneously increase the share capital by TRY 23,530 in cash based on the nominal value of 1 Kuruş to increase the issued share capital to TRY 127,774. The results of the Extraordinary General Assembly Meeting were registered on 23 December 2020 with the document numbered 180917 of the T.R. Istanbul Trade Registry Directorate.

The issued capital, which was previously TRY 700,000 has been decreased to TRY 104,244 by TRY 595,756 in total as a result of offsetting from the fully paid-in capital by crediting TRY 586,161 to the inflation adjustment to share capital account and TRY 9,595 to property, plant and equipment revaluation increases account, and simultaneously with the capital increase amounting to TRY 23,530 the issued capital was increased to TRY 127,774 in cash with the approval of CMB.

There has not been any fund outflow from the Company due to the capital decrease. As a result of the capital increase of the Company, a cash inflow of TRY 400,503 was obtained. Transaction cost of TRY 1,018 was incurred for this transaction.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

15. SHAREHOLDERS’ EQUITY (Continued)

a) Capital (Continued)

The inflation adjustment on share capital as of 30 September 2023 and 31 December 2022 are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Inflation adjustment differences to share capital	678,006	678,006
	<u>678,006</u>	<u>678,006</u>

During the capital reduction transactions made in 2020, TRY 586,161, which was included in the paid-in capital, has been transferred to the inflation adjustment to share capital account. The capital adjustment differences amounting to TRY 678,006 as of 30 September 2023 and 31 December 2022, consist of the capital adjustment differences arising from the restatement of the Company’s paid-in capital according to inflation and not deducted from previous years losses or not added to the capital.

b) Accumulated Losses

	<u>30 September 2023</u>	<u>31 December 2022</u>
Opening balance	(1,595,004)	(1,252,610)
Transfers	(186,832)	(430,493)
Sale of real estate	-	88,099
Closing balance	<u>(1,781,836)</u>	<u>(1,595,004)</u>

Publicly listed companies distribute dividends in accordance with the requirements of CMB as explained below:

In accordance with the CMB’s decree issued on 23 January 2014, in relation to the profit distribution of earnings derived from the operations in 2013, minimum profit distribution is not required for listed companies, and accordingly, profit distribution should be made based on the requirements set out in the CMB’s Communiqué Serial:II, No: 19.1 “Principles of Dividend Advance Distribution of Companies That Are Subject To The CMB Regulations”, terms of articles of association and profit distribution policies publicly disclosed by the companies.

Furthermore, based on the afore-mentioned decree, companies that are required to prepare financial statements should calculate their net distributable profits, to the extent that they can be recovered from equity in their statutory records, by considering the net profit for the period in the financial statements which are prepared and disclosed in accordance with the Communiqué Serial: XI, No: 29.

The inflation adjustment differences from the valuation studies for TFRS purposes for those as of the balance sheet date that have not been subject to profit distribution or capital increase have been presented under retained losses.

In accordance with the Corporate Tax Law (“CTL”) 5/1-e article, the Company has to keep restricted reserves amounting to TRY 335,983 and TRY 37,034 which is related Kiler acquisition, in its corporate tax base financial statements for 5 years.

c) Restricted Reserves

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Restricted reserves appropriated from profit are composed of legal reserves. Legal reserves comprise of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, legal reserves can be only used to offset losses unless they exceed the 50% of paid-in capital. Other than that, legal reserves must not be used whatsoever.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

15. SHAREHOLDERS’ EQUITY (Continued)

c) Restricted Reserves (continued)

CMB’s Communiqué II-1411 and other related CMB’s announcements, “Paid-in capital”, “Restricted reserves” and “Premium in excess of par” should be carried at their registered amounts in statutory records. Restatement differences (e.g. inflation restatement differences) arising from the application of the Decree should be associated with:

- “Capital restatement differences” account, following the “Paid-in capital” line item in the financial statements, if such differences are arising from “Paid-in Capital” and not added to capital;
- “Retained earnings/Accumulated loss” if such differences are arising from “Restricted reserves” and “Premium in excess of par” and has not been subject to profit distribution or capital increase. Other equity items are presented with their restated amounts within the framework of CMB Financial Reporting Standards.

Capital restatement differences can only be included in capital.

d) Other Comprehensive Income / Expense not to be Reclassified to Profit and Loss

Property, plant and equipment revaluation increases

This account consists of property, plant and equipment revaluation reserves which has not associated with profit or loss but recognized in other comprehensive income.

The movements of tangible assets revaluation changes for the periods ending on 30 September 2023 and 31 December 2022 are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Opening balance	9,595	97,694
Sale of real estate (*)	-	(88,099)
Closing balance	<u>9,595</u>	<u>9,595</u>

(*) The Company management reclassified the amount included in property, plant and equipment revaluation reserves to retained loss due to sale of the real estate located in Antalya, which was recognized at fair value, on 15 March 2022.

Actuarial losses

	<u>30 September 2023</u>	<u>31 December 2022</u>
Actuarial losses	(424,925)	(237,540)
	<u>(424,925)</u>	<u>(237,540)</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

16. REVENUE AND COST OF SALES

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
<u>NET SALES</u>				
Revenue from retail operations	25,103,464	10,383,057	12,989,090	5,426,602
Loyalty program discounts	(55,994)	(23,087)	(36,048)	(7,832)
Sales returns	(215,416)	(109,557)	(85,960)	(38,458)
Sales discount	(47,277)	(14,094)	(26,603)	(6,748)
Rent income	46,221	16,977	29,464	12,053
	<u>24,830,998</u>	<u>10,253,296</u>	<u>12,869,943</u>	<u>5,385,617</u>
<u>COST OF SALES</u>				
Opening balance of inventories	(2,843,751)	(3,972,247)	(1,472,347)	(2,060,439)
Purchases	(20,556,288)	(8,513,329)	(10,674,169)	(4,537,532)
Net change in provision for inventory impairment (Note 6)	(9,033)	(1,985)	(7)	(1,093)
Closing balance of inventories	4,938,941	4,938,941	2,576,238	2,576,238
	<u>(18,470,131)</u>	<u>(7,548,620)</u>	<u>(9,570,285)</u>	<u>(4,022,826)</u>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

17. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

Operating expenses for the interim periods ended 30 September 2023 and 2022 are as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Marketing expenses	(4,664,850)	(1,818,919)	(2,408,785)	(952,487)
General administrative expenses	(621,025)	(235,959)	(280,742)	(107,989)
	<u>(5,285,875)</u>	<u>(2,054,878)</u>	<u>(2,689,527)</u>	<u>(1,060,476)</u>

18. EXPENSES BY NATURE

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Personnel expenses	(2,716,025)	(1,053,163)	(1,301,308)	(516,863)
Depreciation and amortization expenses	(591,357)	(213,908)	(358,537)	(129,053)
Energy expenses	(504,424)	(202,132)	(287,202)	(121,135)
Rent expenses	(432,012)	(182,293)	(209,129)	(88,959)
Advertising expenses	(198,945)	(76,645)	(82,014)	(29,131)
Information technologies expenses	(134,362)	(42,693)	(82,767)	(25,956)
Outsourced expenses	(138,289)	(56,087)	(67,485)	(26,124)
Consultancy expenses	(94,527)	(32,327)	(32,378)	(15,113)
Stationery consumption expenses	(83,263)	(34,668)	(50,894)	(20,107)
Repair and maintenance expenses	(78,915)	(33,257)	(43,830)	(17,901)
Travel expenses	(39,113)	(17,527)	(19,013)	(8,980)
Insurance expenses	(31,013)	(10,025)	(14,863)	(5,240)
Taxation and other expenses	(14,650)	(4,977)	(7,535)	(2,441)
Decoration material expenses	(13,209)	(4,550)	(9,520)	(3,021)
Communication expenses	(1,127)	(420)	(894)	(345)
Other	(214,644)	(90,206)	(122,158)	(50,107)
	<u>(5,285,875)</u>	<u>(2,054,878)</u>	<u>(2,689,527)</u>	<u>(1,060,476)</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income and expenses from operating activities for the periods ended 30 September 2023 and 2022 are as follows:

<u>Other Operating Income</u>	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Foreign exchange gain from operational activities	119,346	22,258	55,628	18,647
Franchise income	21,083	9,548	5,808	2,880
Income from rental agreement termination (*)	2,310	(91)	1,856	177
Concessions for rent payments	72	-	274	13
Impairment no longer required	-	-	233	-
Other income	109,119	85,927	15,608	5,269
	<u>251,930</u>	<u>117,642</u>	<u>79,407</u>	<u>26,986</u>

(*) It is the income related to the collection of prepaid rental fees that are expensed for closed stores.

<u>Other Operating Expenses (-)</u>	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Interest expenses from purchases via credit	(760,510)	(439,583)	(365,061)	(148,768)
Foreign exchange losses from operational activities	(81,966)	(13,059)	(34,656)	(10,284)
Reversal of income accrual of Competition Authority fine (Note 11)	(53,426)	-	-	-
Provision expenses (*)	(2,830)	134	(10,305)	(51)
Earthquake donation expenses	(1,887)	-	-	-
Interest expenses from operational activities	(1,797)	(442)	(1,258)	(397)
Other expenses and losses	(163,364)	(68,532)	(85,868)	(34,779)
	<u>(1,065,780)</u>	<u>(521,482)</u>	<u>(497,148)</u>	<u>(194,279)</u>

(*) Provision expenses are mainly consisting of risk and legal provisions.

20. INCOME FROM INVESTMENT ACTIVITIES

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Gain on sale of tangible assets	-	-	42,308	-
	<u>-</u>	<u>-</u>	<u>42,308</u>	<u>-</u>

The Company management sold its real estate located in Antalya with a price of TRY 170,000 on 15 March 2022.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

21. FINANCE INCOME

Finance income for the periods ended 30 September 2023 and 2022 are as follows:

<u>Finance income</u>	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Interest income	17,882	7,344	12,770	6,616
	<u>17,882</u>	<u>7,344</u>	<u>12,770</u>	<u>6,616</u>

22. FINANCE COSTS

Finance costs for the periods ended 30 September 2023 and 2022 are as follows:

<u>Finance costs</u>	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Interest expenses on lease liabilities	(328,940)	(110,939)	(207,864)	(72,025)
Interest expenses	(362,936)	(172,768)	(248,929)	(94,408)
Credit card commission costs	(51,955)	(27,855)	(19,362)	(9,188)
	<u>(743,831)</u>	<u>(311,562)</u>	<u>(476,155)</u>	<u>(175,621)</u>

23. TAX ASSETS AND LIABILITIES

<u>Tax Income of the Period</u>	1 January- 30 September 2023	1 January- 30 September 2022
Corporate tax expense of the current period	-	-
Deferred tax income	147,493	44,697
Tax income from continuing operations	<u>147,493</u>	<u>44,697</u>

The Company is subject to taxation in accordance with the tax regulation and the tax legislation effective in Turkey. Required provisions are made in the accompanying financial statements for the estimated tax charge based on the Company’s results for the current period.

The corporate tax rate to be accrued on taxable corporate income is calculated on the tax base remaining after the addition of non-deductible expenses and deduction of non-taxable income from the tax base.

The tax legislation provides for a temporary tax of 25% (2022: 23%) to be calculated and paid based on earnings generated for each quarter for the three-month period as of 30 September 2023. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

23. TAX ASSETS AND LIABILITIES (Continued)

In Turkey, temporary corporate tax is calculated and filed quarterly. Losses can be carried forward for a maximum period of five years to offset against future taxable income. However, losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, inspect tax returns and the related accounting records and may revise assessments within five years.

Exemption from Corporate Tax:

Dividend earnings of corporations from participation in another fully liable corporation are exempt from corporate tax. In addition, 75% of the income derived by entities from the sale of participation shares, immovable property, preferential rights, founders' shares and redeemed shares which are recognized in assets at least for two years is exempt from corporate tax as of 31 December 2017. However, according to the amendments with Law numbered 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared as of 2018.

In order to benefit from the exemption, the relevant income should be kept under a fund account in liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

Income Withholding Tax:

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until 22 December 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the President's Decision No. 4946, published in the Official Gazette dated 22 December 2021 and numbered 31697, the withholding tax rate of 15% has been reduced to 10%.

In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Prevention Agreements are also taken into account. The addition of retained earnings to the capital is not considered a profit distribution, therefore it is not subject to withholding tax.

Transfer Pricing Regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered a non-deductible expense for corporate tax.

As of 30 September 2023 and 31 December 2022, the Company has no income tax liabilities.

Deferred tax is calculated on the temporary differences arising between the carrying values of assets and liabilities in the accompanying financial statements and values used in tax base, except for goodwill that is not subject to tax deductions, and first-time asset and liability differences that are not subject to accounting and taxation.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

23. TAX ASSETS AND LIABILITIES (Continued)

Deferred tax calculation for the periods ended 30 September 2023 and 31 December 2022 is as follows:

<u>The basis for deferred tax timing differences:</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for contingencies	121,175	112,423
Inventory valuation differences	238,279	92,729
Other current assets	(219,138)	(90,488)
Provision for employment termination benefit	574,423	397,996
Property, plant and equipment and intangible assets	(54,141)	(51,964)
Right of use assets	(1,669,282)	(1,122,400)
Other short term liabilities	14,413	254,596
Finance lease liabilities	1,990,528	1,366,857
Carry forward tax losses	1,097,904	627,947
Other	18,030	2,646
	<u>2,112,191</u>	<u>1,590,342</u>

<u>Deferred tax assets / (liabilities) :</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for contingencies	30,294	22,485
Inventory valuation differences	59,570	18,546
Other current assets	(54,785)	(18,098)
Provision for employment termination benefit	143,606	79,599
Property, plant and equipment and intangible assets	(13,564)	(10,393)
Right of use assets	(417,321)	(224,480)
Other short term liabilities	3,603	50,919
Finance lease liabilities	497,632	273,371
Carry forward tax losses	274,476	125,589
Other	4,508	530
	<u>528,019</u>	<u>318,068</u>

Carry forward tax losses

According to the Tax Procedure Law, financial losses can be carried for a maximum of five years. Accordingly, the last year that unused financial losses can be recognized is 2028. The Company management has evaluated that it is probable that there will be sufficient taxable profit in the future depending on the expected operational performance improvement in the following years, and accordingly, deferred tax assets arising from unused financial losses amounting to TRY 274,476 (31 December 2022: TRY 125,589) are recognized in the financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

23. TAX ASSETS AND LIABILITIES (Continued)

The expiry dates of the Company's available financial losses on which deferred tax asset is recognized are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
2024	182,259	257,736
2025	154,997	154,997
2026	213,633	215,214
2028	547,015	-
	<u>1,097,904</u>	<u>627,947</u>

The movements of deferred tax asset as of and for the nine-month period ended 30 September 2023 and 2022 are as follows:

<u>Movement of deferred tax asset:</u>	<u>30 September 2023</u>	<u>30 September 2022</u>
Opening balance at 1 January	318,068	245,340
Current year income	147,493	44,697
Tax income attributable to equity	62,458	17,943
Closing balance at 30 September	<u>528,019</u>	<u>307,980</u>

24. LOSS PER SHARE

Weighted average number of shares and basic earnings per share for the periods ended 30 September 2023 and 30 September 2022 are as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Opening, number of shares (Note 15)	12,777,376,572	12,777,376,572
Share addition	-	-
Closing, number of shares (total)	<u>12,777,376,572</u>	<u>12,777,376,572</u>
Weighted average number of shares (Note 15)	12,777,376,572	12,777,376,572
Net loss for the period (TRY)	(318,682)	(184,542)
Loss per share of 1 KR (Kr)	<u>(0.0249)</u>	<u>(0.0144)</u>
Loss per share of 1 TRY (Kr)	<u>(2.4941)</u>	<u>(1.4443)</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

<u>Cash and cash equivalents (Note 3)</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Akbank T.A.Ş.	184,033	234,620
	<u>184,033</u>	<u>234,620</u>
<u>Financial Liabilities (Note 4)</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Akbank T.A.Ş.	51,689	100,603
	<u>51,689</u>	<u>100,603</u>
<u>Trade receivables from related parties (Note 5)</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Carrefour World Trade	74,452	13,540
Majid Al Futtaim Hypermarkets Llc U	29,259	685
Carrefour Polska Sp. z o. o.	1,822	8
Aksigorta A.Ş.	353	174
Carrefour Global Sourcing Asia	146	87
Akbank T.A.Ş.	45	99
Ak Finansal Kiralama A.Ş.	39	37
Akçansa Çimento Sanayi ve Ticaret A.Ş.	-	4,572
Teknosa İç ve Dış Ticaret A.Ş.	-	56
Other	724	70
	<u>106,840</u>	<u>19,328</u>
<u>Trade payables to related parties (Note 5)</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Teknosa İç ve Dış Ticaret A.Ş.	30,449	23,405
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	11,316	4,485
Sabancı Dijital Teknoloji Hizmetler A.Ş.	2,434	20,762
Aksigorta A.Ş.	15	2
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	5	5
Agesa Hayat ve Emeklilik A.Ş.	2	120
Other	219	223
	<u>44,440</u>	<u>49,002</u>
<u>Other short term payables to related parties</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
Hacı Ömer Sabancı Holding A.Ş.	99,180	25,692
Carrefour Partenariat International	61,951	15,830
	<u>161,131</u>	<u>41,522</u>

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
<u>Purchases from related parties (goods)</u>				
Teknosa İç ve Dış Ticaret A.Ş.	54,186	24,156	41,044	14,105
Philip Morris Sabancı Sigara ve Tütünçülük Sanayi ve Tic. A.Ş.	-	-	6,136	-
	<u>54,186</u>	<u>24,156</u>	<u>47,180</u>	<u>14,105</u>
<u>Purchases from related parties (services)</u>				
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	167,454	34,796	179,870	71,882
Aksigorta A.Ş.	31,364	9,966	14,973	5,323
Sabancı Dijital Teknoloji Hizmetler A.Ş.	9,031	3,570	13,631	1,389
Teknosa İç ve Dış Ticaret A.Ş.	499	228	487	228
	<u>208,348</u>	<u>48,560</u>	<u>208,961</u>	<u>78,822</u>
<u>Rent income from related parties</u>				
Teknosa İç ve Dış Ticaret A.Ş.	3,323	1,443	2,102	880
Akbank T.A.Ş.	1,857	220	1,112	128
	<u>5,180</u>	<u>1,663</u>	<u>3,214</u>	<u>1,008</u>
<u>Rebates and other income from related parties</u>				
Carrefour World Trade	74,452	26,316	54,423	22,906
Majid Al Futtaim Hypermarkets Llc U	47,109	33,984	-	-
Hacı Ömer Sabancı Holding A.Ş.	14,947	1,109	1,155	546
Teknosa İç ve Dış Ticaret A.Ş.	6,832	3,145	5,568	1,370
Carrefour Polska Sp. z o. o.	5,199	1,582	4,835	192
Agesa Hayat ve Emeklilik A.Ş.	3,738	19	756	82
Kordsa Teknik Tekstil A.Ş.	3,252	-	488	-
Aksigorta A.Ş.	3,169	16	265	-
Akbank T.A.Ş.	3,011	754	3,242	906
Akçansa Çimento Sanayi ve Ticaret A.Ş.	2,896	46	2,032	1,051
Exsa Export Sanayi Mamulleri Satış	2,597	-	-	-
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	2,026	5	874	13
Sabancı Dijital Teknoloji Hizmetler A.Ş.	1,809	276	515	180
Afyon Çimento Sanayii Türk A.Ş.	1,598	-	-	-
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	1,418	-	330	-
Brisa-Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	1,275	1	3	-
Carrefour Global Sourcing Asia	1,131	368	703	301
Çimsa Çimento Sanayi ve Ticaret A.Ş.	824	225	238	110
Ak Yatırım Menkul Değerler A.Ş.	259	74	16	-
Other	434	8	148	93
	<u>177,976</u>	<u>67,928</u>	<u>75,591</u>	<u>27,750</u>

(* Philip Morris Sabancı Sigara ve Tütünçülük Sanayi ve Ticaret A.Ş. is a related party until 5 January 2022 and is not considered as a related party after this date.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
<u>Other expenses to related parties</u>				
Hacı Ömer Sabancı Holding A.Ş.	85,046	35,219	44,513	18,429
Carrefour Partenariat International	68,920	28,537	32,229	13,458
Other	21	7	16	4
	<u>153,987</u>	<u>63,763</u>	<u>76,758</u>	<u>31,891</u>
<u>Interest income from related parties</u>				
Akbank T.A.Ş.	68	-	9,142	3,839
<u>Interest expense and credit card commission to related parties</u>				
Akbank T.A.Ş.	43,577	21,451	27,869	8,444
	<u>43,577</u>	<u>21,451</u>	<u>27,869</u>	<u>8,444</u>

The Company key management consists of executive board and board of directors. The total amount of benefits for the key management personnel in the current period is as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Salaries and other short term benefits	32,072	9,064	12,740	4,401
Other long term benefits	1,732	642	986	503
	<u>33,804</u>	<u>9,706</u>	<u>13,726</u>	<u>4,904</u>

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign Currency Risk

Foreign currency denominated transactions create foreign exchange risks.

The foreign currency denominated assets and liabilities of monetary items are as follows:

	30 September 2023		
	TRY Equivalents (Functional currency)	USD	EUR
1. Trade receivables	201,750	3,828	3,340
2. Liquid assets	125,147	2,034	2,392
3. CURRENT ASSETS (1+2)	326,897	5,862	5,732
4. Other	147,319	4,533	800
5. NON-CURRENT ASSETS	147,319	4,533	800
6. TOTAL ASSETS (3+5)	474,216	10,395	6,532
7. Trade payables	40,024	1,076	361
8. Other payables	61,951	-	2,130
9. Financial liabilities	-	-	-
10. Non-monetary other liabilities	18,001	603	50
11. CURRENT LIABILITIES (7+8+9+10)	119,976	1,679	2,541
12. Financial liabilities	58,357	-	2,007
13. NON-CURRENT LIABILITIES	58,357	-	2,007
14. TOTAL LIABILITIES (11+13)	178,333	1,679	4,548
15. Net foreign currency asset / liability position (6-14)	295,883	8,716	1,984
16. Net monetary foreign currency asset / liability position (6-14-10)	277,882	8,113	1,934

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023 AND 2022**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Risk (Continued)

	31 December 2022		
	TRY Equivalents (Functional currency)	USD	EUR
1. Trade receivables	61,751	2,025	1,198
2. Liquid assets	52,062	83	2,533
3. CURRENT ASSETS (1+2)	113,813	2,108	3,731
4. Other	100,672	4,531	800
5. NON-CURRENT ASSETS	100,672	4,531	800
6. TOTAL ASSETS (3+5)	214,485	6,639	4,531
7. Trade payables	64,951	3,087	356
8. Other payables	15,830	-	793
9. Financial liabilities	-	-	-
10. Non-monetary other liabilities	5,914	266	46
11. CURRENT LIABILITIES (7+8+9+10)	86,695	3,353	1,195
12. Financial liabilities	43,217	-	2,164
13. NON-CURRENT LIABILITIES	43,217	-	2,164
14. TOTAL LIABILITIES (11+13)	129,912	3,353	3,359
15. Net foreign currency asset / liability position (6-14)	84,573	3,286	1,172
16. Net monetary foreign currency asset / liability position (6-14-10)	78,659	3,020	1,126

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Risk (Continued)

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising primarily from USD and EUR. The following table demonstrates the sensitivity of the Company to a possible change of 10% in US dollar and EUR rates. Negative value implies the effect of 10% increase in USD and in EUR foreign currency rates against TRY on the decrease in the net profit.

30 September 2023

	Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY		
1 - US Dollar net asset / liability	23,852	(23,852)
2- Amount hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	23,852	(23,852)
In case of 10% appreciation of EUR against TRY		
4 - Euro net asset / liability	5,737	(5,737)
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	5,737	(5,737)
TOTAL (3 + 6)	29,589	(29,589)

31 December 2022

	Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY		
1 - US Dollar net asset / liability	6,132	(6,132)
2- Amount hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	6,132	(6,132)
In case of 10% appreciation of EUR against TRY		
4 - Euro net asset / liability	2,325	(2,325)
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	2,325	(2,325)
TOTAL (3 + 6)	8,457	(8,457)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Fair value

The methods and assumptions used to estimate the fair value of financial assets and liabilities are as follows:

Financial assets

Certain financial assets, including cash and cash equivalents, are recognized with their cost values and it is estimated that their carrying values are approximately equal to their fair values due to their short-term nature.

Trade receivables are presented netted off related doubtful portion of the receivable and are assumed to reflect their fair value.

Financial liabilities

Short term TRY denominated, fixed and variable interest rate bank borrowings are assumed to converge to its fair value, as their drawdown date close to the balance sheet date.

Long term foreign currency denominated finance lease payables are assumed to converge to its fair value.

Since trade payables are short-term, they are assumed to reflect their fair values.

Classification regarding fair value measurement

“TFRS 7 – Financial Instruments: Disclosure” requires the companies to disclose the classification and hierarchy of the data used in determining the fair values of the financial instruments. The basis for the hierarchy is dependent on whether the data used in fair value calculation is observable or not. Observable inputs mean that the Company using market inputs derived from independent sources and unobservable inputs mean that the Company using market expectation and assumptions. This distinction leads to classifications presented as below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market (unobservable inputs).

27. EVENTS AFTER THE BALANCE SHEET DATE

None.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

ADDITIONAL INFORMATION

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

APPENDIX – ADDITIONAL INFORMATION

FINANCIAL STATEMENTS BEFORE TFRS 16

The effects of TFRS 16 Lease Transactions standard on the Company's balance sheet are presented below.

	Unaudited		
	Before TRFS 16 30 September 2023	TFRS 16 Effect	30 September 2023
ASSETS			
Current Assets	7,938,912	-	7,938,912
Cash and Cash Equivalents	1,483,301	-	1,483,301
Trade Receivables			
Due From Related Parties	106,840	-	106,840
Other Trade Receivables	752,013	-	752,013
Other Receivables			
Other Receivables from Third Parties	370,471	-	370,471
Inventories	4,938,941	-	4,938,941
Prepaid Expenses	287,346	-	287,346
Non-Current Assets	2,222,196	1,738,056	3,960,252
Other Receivables			
Other Receivables from Third Parties	149,897	-	149,897
Property, Plant and Equipment	993,989	-	993,989
Right of Use Assets	-	1,653,904	1,653,904
Intangible Assets			
Goodwill	482,479	-	482,479
Other Intangible Assets	150,182	-	150,182
Prepaid Expenses	1,782	-	1,782
Deferred Tax Assets	443,867	84,152	528,019
TOTAL ASSETS	10,161,108	1,738,056	11,899,164

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

ADDITIONAL INFORMATION

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

APPENDIX – ADDITIONAL INFORMATION (continued)

FINANCIAL STATEMENTS BEFORE TFRS 16

The effects of TFRS 16 Lease Transactions standard on the Company's balance sheet are presented below.

	Unaudited		
	Before TFRS 16 30 September 2023	TFRS 16 Effect	
LIABILITIES			
Current Liabilities	10,620,298	388,593	11,008,891
Short Term Bank Loans			
Short Term Bank Loans from Related Parties	51,689	-	51,689
Other Short Term Bank Loans	873,879	-	873,879
Other Financial Liabilities	-	-	-
Other Financial Liabilities to Third Parties	224,299	-	224,299
Short Term Portion of Long Term Finance Lease Liabilities			
Other Short Term Portion of Long Term Lease Liabilities	-	388,593	388,593
Trade Payables			
Due to Related Parties	44,440	-	44,440
Other Trade Payables	8,518,165	-	8,518,165
Employee Benefit Liabilities	432,343	-	432,343
Other Payables			
Due to Related Parties	161,131	-	161,131
Other Short Term Payables	109,278	-	109,278
Short Term Provisions			
Provisions for Employment Benefits	1,751	-	1,751
Other Short Term Provisions	92,566	-	92,566
Deferred Income	92,590	-	92,590
Other Short Term Liabilities	18,167	-	18,167
Non-Current Liabilities	574,423	1,601,935	2,176,358
Long Term Finance Lease Liabilities			
Other Long Term Finance Lease Liabilities	-	1,601,935	1,601,935
Long Term Provisions	-	-	-
Provisions for Employment Benefits	574,423	-	574,423
TOTAL LIABILITIES	11,194,721	1,990,528	13,185,249
EQUITY	(1,033,613)	(252,472)	(1,286,085)
Shareholders' Equity	(1,033,613)	(252,472)	(1,286,085)
Share Capital	127,774	-	127,774
Inflation Adjustment Differences to Share Capital	678,006	-	678,006
Share Issue Premium / Discounts	411,665	-	411,665
Other Accumulated Comprehensive Income and Expenses			
Not to be Reclassified to Profit or Loss			
-Property, Plant and Equipment Revaluation Increases	9,595	-	9,595
-Losses on Remeasurement of Defined Benefit Obligations	(424,925)	-	(424,925)
Restricted Reserves	12,318	-	12,318
Accumulated Losses	(1,579,399)	(202,437)	(1,781,836)
Net Loss for the Period	(268,647)	(50,035)	(318,682)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,161,108	1,738,056	11,899,164

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

ADDITIONAL INFORMATION

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

APPENDIX – ADDITIONAL INFORMATION (continued)

FINANCIAL STATEMENTS BEFORE TFRS 16

The effects of TFRS 16 Lease Transactions standard on the Company's statements of profit or loss and other comprehensive income are presented below.

	Unaudited		
	Before TFRS 16	1 January-30 September 2023	
	1 January-30 September 2023	TFRS 16 Effect	1 January-30 September 2023
PROFIT OR LOSS			
Revenue	24,830,998	-	24,830,998
Cost of Sales (-)	(18,473,234)	3,103	(18,470,131)
GROSS PROFIT	6,357,764	3,103	6,360,867
Marketing Expenses (-)	(4,892,237)	227,387	(4,664,850)
General Administrative Expenses (-)	(633,510)	12,485	(621,025)
Other Income From Main Operations	249,548	2,382	251,930
Other Expenses From Main Operations (-)	(1,065,780)	-	(1,065,780)
OPERATING PROFIT	15,785	245,357	261,142
Income from Investment Activities	-	-	-
Impairment Loss and Reversals of Impairment Losses in Accordance with TFRS 9	(1,368)	-	(1,368)
OPERATING PROFIT BEFORE FINANCE COSTS	14,417	245,357	259,774
Finance Income	17,882	-	17,882
Finance Costs (-)	(414,891)	(328,940)	(743,831)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(382,592)	(83,583)	(466,175)
Tax Income from Continuing Operations	113,945	33,548	147,493
- Deferred Tax Income	113,945	33,548	147,493
NET LOSS FOR THE YEAR	(268,647)	(50,035)	(318,682)
OTHER COMPREHENSIVE LOSS			
Items not to be Reclassified Under Profit or Loss, After Tax	(187,385)	-	(187,385)
- Remeasurements of Defined Benefit Asset / (Liability)	(249,843)	-	(249,843)
- Remeasurements of Defined Benefit Asset / (Liability), Tax Effect	62,458	-	62,458
TOTAL COMPREHENSIVE LOSS	(456,032)	(50,035)	(506,067)
Loss per share	(2.1025)	(0.3916)	(2.4941)