

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**

(ORIGINALLY ISSUED IN TURKISH)

31 May 2024

*This report contains 38 pages of condensed interim
financial statements and notes.*

**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 – 31 MARCH 2024**

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

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED BALANCE SHEETS AT 31 MARCH 2024 AND 31 DECEMBER 2023

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

	Notes	31 March 2024	31 December 2023
ASSETS			
Current Assets		10,582,246	10,085,665
Cash and Cash Equivalents	3	1,557,413	1,963,449
Trade Receivables			
Due From Related Parties	5, 24	109,870	78,218
Due From Third Parties	5	1,112,897	1,154,248
Other Receivables			
Due From Third Parties		478,517	388,503
Inventories	6	6,901,128	6,254,711
Prepaid Expenses		422,421	246,536
Non-Current Assets		12,416,090	12,166,357
Other Receivables			
Due From Third Parties		177,119	186,305
Property, Plant and Equipment	7	3,376,413	3,430,107
Right of Use Assets	8	4,877,554	4,592,065
Intangible Assets			
Goodwill	10	3,468,110	3,468,110
Other Intangible Assets	9	313,021	319,411
Prepaid Expenses		1,782	5,974
Deferred Tax Assets	22	202,091	164,385
TOTAL ASSETS		22,998,336	22,252,022

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 31 MARCH 2024 AND 31 DECEMBER 2023

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

	Notes	31 March 2024	31 December 2023
LIABILITIES			
Current Liabilities		14,609,329	13,681,970
Short Term Bank Loans			
Short Term Bank Loans from Related Parties	4, 24	222,977	59,475
Other Short Term Bank Loans	4	2,393,126	1,442,807
Other Financial Liabilities			
Other Financial Liabilities to Third Parties	4	159,388	251,743
Short Term Portion of Long Term Finance Lease Liabilities			
Other Short Term Portion of Long Term Lease Liabilities	4	669,843	529,904
Trade Payables			
Due to Related Parties	5, 24	391,592	219,860
Due to Third Parties	5	9,423,203	10,104,927
Employee Benefit Liabilities	13	727,139	522,559
Other Payables			
Due to Related Parties	24	123,352	86,725
Due to Third Parties		141,439	151,476
Short Term Provisions			
Provisions for Employment Benefits	11	26,759	14,215
Other Short Term Provisions	11	116,561	125,667
Deferred Income	14	200,798	157,190
Other Short Term Liabilities		13,152	15,422
Non-Current Liabilities		2,774,181	2,648,641
Long Term Finance Lease Liabilities			
Other Long Term Finance Lease Liabilities	4	2,096,961	2,076,646
Long Term Provisions			
Provisions for Employment Benefits	11	677,220	571,995
TOTAL LIABILITIES		17,383,510	16,330,611
EQUITY			
Shareholders' Equity		5,614,826	5,921,411
Share Capital	15	127,774	127,774
Inflation Adjustment Differences to Share Capital	15	14,658,612	14,658,612
Share Issue Premium / Discounts		2,251,477	2,251,477
Other Accumulated Comprehensive Income and Expenses			
Not to be Reclassified to Profit or Loss			
- Losses on Remeasurement of Defined Benefit Obligations	15	(847,707)	(711,631)
Restricted Reserves	15	133,763	133,763
Accumulated Losses	15	(10,538,584)	(11,924,180)
Net Loss for the Period		(170,509)	1,385,596
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		22,998,336	22,252,022

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 THREE-MONTH PERIOD
ENDED 31 MARCH 2024 AND 2023**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
PROFIT OR LOSS			
Revenue	16	11,939,426	11,321,195
Cost of Sales (-)		(9,273,667)	(8,971,449)
GROSS PROFIT		2,665,759	2,349,746
Marketing Expenses (-)	17	(2,783,102)	(2,586,622)
General Administrative Expenses (-)	17	(404,254)	(374,780)
Other Income From Operating Activities	19	123,578	38,978
Other Expenses From Operating Activities (-)	19	(869,595)	(336,855)
OPERATING LOSS		(1,267,614)	(909,533)
Impairment profit / (loss) and Reversals of Impairment Losses in Accordance with IFRS 9		(1,915)	230
OPERATING LOSS BEFORE FINANCE COSTS		(1,269,529)	(909,303)
Finance Income	20	21,311	9,718
Finance Costs (-)	21	(653,892)	(327,059)
Monetary Gain		1,739,254	1,398,442
(LOSS) / PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(162,856)	171,798
Tax Expense		(7,653)	(68,108)
- Deferred Tax Expense	22	(7,653)	(68,108)
NET (LOSS) / INCOME FOR THE PERIOD		(170,509)	103,690
OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified to profit or loss		(136,076)	(245,824)
- Remeasurements of defined benefit liability		(181,435)	(307,280)
- Remeasurements of defined benefit liability, tax effect		45,359	61,456
OTHER COMPREHENSIVE LOSS		(136,076)	(245,824)
TOTAL COMPREHENSIVE LOSS		(306,585)	(142,134)
(Loss) / Income per share (1 TRY per share, full)			
Basic (loss) / income per share			
Basic (loss) / income per share from continued operations		(1.3345)	0.8115
Basic (loss) / income per share from discontinued operations		-	-
Total basic (loss) / income per share	23	(1.3345)	0.8115
Diluted loss per share			
Diluted (loss) / income per share from continued operations		(1.3345)	0.8115
Diluted (loss) / income per share from discontinued operations		-	-
Total diluted (loss) / income per share		(1.3345)	0.8115

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 THREE-MONTH PERIOD ENDED
31 MARCH 2024 AND 2023**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

(Note 15)	Share Capital	Inflation Adjustment Differences to Share Capital	Share Issue Premium / Discounts	Actuarial Loss	Restricted Reserves	Accumulated Losses	Net Loss for the Period	Total
Balance at 1 January 2023	127,774	14,658,612	2,251,477	(471,678)	133,763	(13,259,955)	1,335,775	4,775,768
Transfers	-	-	-	-	-	1,335,775	(1,335,775)	-
Total Comprehensive Loss	-	-	-	(245,824)	-	-	103,690	(142,134)
Balances at 31 March 2023	127,774	14,658,612	2,251,477	(717,502)	133,763	(11,924,180)	103,690	4,633,634
Balance at 1 January 2024	127,774	14,658,612	2,251,477	(711,631)	133,763	(11,924,180)	1,385,596	5,921,411
Transfers	-	-	-	-	-	1,385,596	(1,385,596)	-
Total Comprehensive Loss	-	-	-	(136,076)	-	-	(170,509)	(306,585)
Balances at 31 March 2024	127,774	14,658,612	2,251,477	(847,707)	133,763	(10,538,584)	(170,509)	5,614,826

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 THREE-MONTH PERIOD ENDED
31 MARCH 2024 AND 2023**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	1 January- 31 March 2024	1 January- 31 March 2023
Net loss for the period		(170,509)	103,690
Adjustments to reconcile net loss for the period		993,729	709,816
- Depreciation of property, plant and equipment	7	204,695	182,982
- Amortization of right of use asset	8	412,468	364,252
- Amortization of intangible assets	9	45,366	39,700
- Net change in risk, lawsuit, personnel, SSI and other provisions	11	7,143	794
- Adjustments to interest income	20	(9,569)	(9,718)
- Adjustments to interest expense	21	653,892	327,059
- Adjustments to foreign exchange income	20	(11,742)	--
- Provision for unused vacation pay liability		12,544	9,835
- Provision for employment termination benefit	11	69,852	94,526
- Allowance for doubtful receivables	5	2,606	1,427
- Provision for impairment on inventory	6	629	19,076
- Unrealized foreign exchange gain		(8,137)	(3,882)
- Tax income	22	7,653	68,108
- Adjustments to net monetary gain		(393,671)	(384,343)
Changes in working capital		(1,222,313)	(331,313)
- Decrease / (increase) in other trade receivables, including collection of doubtful receivables		38,745	28,721
- Increase in inventories		(647,046)	(1,071,604)
- Increase due from related parties		(31,652)	(58,223)
- Increase in other receivables and current assets		(80,828)	(22,128)
- Increase in prepaid expenses		(171,693)	(223,040)
- (Decrease) / increase in other short term payables		(10,037)	9,745
- (Decrease) / increase in other trade payables		(774,079)	586,724
- Increase in payables due to related parties		208,359	63,688
- Increase in employee benefit liabilities		204,580	304,258
- Increase in other short-term liabilities		41,338	50,546
Cash (used in) / from operating activities		(399,093)	482,193
- Employee termination benefits paid		(57,286)	(23,923)
Net cash (used in) / from operating activities		(456,379)	458,270

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 THREE-MONTH PERIOD ENDED
31 MARCH 2024 AND 2023**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

	Notes	1 January- 31 March 2024	1 January- 31 March 2023
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment	7	(156,585)	(120,834)
- Acquisition of intangible assets	9	(39,887)	(46,086)
- Proceeds from sale of tangible and intangible assets		6,495	52,151
Net cash used in investing activities		(189,977)	(114,769)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Proceeds from bank borrowings	4	2,029,902	734,884
- Repayment of borrowings		(765,507)	(360,580)
- Repayment of finance lease payables	4	(341,388)	(341,972)
- Paid finance costs		(404,730)	(211,837)
- Interest received	20	9,569	9,718
- Other cash outflows		(38,611)	(13,017)
Net cash from / (used in) financing activities		489,235	(182,804)
(Decrease) / increase in cash and cash equivalents		(157,121)	160,697
Cash and cash equivalents at the beginning of the year		1,963,449	2,261,004
- The impact of change in foreign currency exchange rate over cash and cash equivalents		8,137	3,882
- Inflation impact on cash and cash equivalents		(257,052)	(251,609)
Cash and cash equivalents at the end of the period	3	1,557,413	2,173,974

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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, 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 10,261 as of 31 March 2024 (31 December 2023: 10,519).

As of 31 March 2024, the Company has 22 hypermarkets, 389 franchises and 683 supermarkets (31 December 2023: 22 hypermarkets, 341 franchise, 684 supermarkets).

The main and ultimate controlling shareholders of the Company are Hacı Ömer Sabancı Holding A.Ş. and Carrefour Nederland BV, respectively.

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 429,574,000. 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 429,574,000 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 62,290,926 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.

() Amounts stated in above paragraphs are expressed in purchasing power at the transaction date.*

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 2023.

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

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

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 31 May 2024. General Assembly and related legal institutions have the right to amend these condensed financial statements.

(b) Basis of measurement

These financial statements have prepared in accordance with “TAS 29 Financial Reporting in Hyperinflationary Economies” standard, with monetary assets and liabilities, and on the historical basis adjusted for the effects of inflation on the Turkish Lira at the reporting date.

(c) Presentation and functional currency

These financial statements are presented in Turkish Lira (“TRY”), which is the functional currency of the Company. All financial information presented in TRY is expressed in thousands of TRY with the purchasing power as of 31 March 2024, unless otherwise stated.

2.2 Financial Reporting in Hyperinflationary Economies

With the announcement made by POA on 23 November 2023, “Announcement on Application of TAS 29 Financial Reporting in Hyperinflationary Economies and BOBİ FRS Chapter 25 Financial Reporting in Hyperinflationary Economies”, it has been announced that entities applying TFRS should present their financial statements for the periods ending on or after 31 December 2023 by adjusting for the inflation effect in accordance with accounting principles in “TAS 29 Financial Reporting in Hyperinflationary Economies” standard. Pursuant to the decision of CMB dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply TAS/TFRS will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023. As a result, the financial statements of entities whose functional currency is TRY are restated for the changes in the general purchasing power of Turkish Lira based on TAS 29 as at 31 March 2024. The restatement is calculated by means of conversion derived from the Turkish countrywide consumer price index published by Turkish Statistical Institute (“TSI”). The indices and conversion factors used to restate the accompanying interim financial statements for the last three years are as follows:

<u>Date</u>	<u>Index</u>	<u>Conversion factor</u>
31 March 2024	2,139.47	1.00000
31 December 2023	1,859.38	1.15064
31 March 2023	1,269.75	1.68495

TFRS require the financial statements of an entity with a functional currency that is hyperinflationary to be restated in accordance with TAS 29 requirements whether they are based on a historical cost or a current cost approach and to be applied retrospectively, as if the currency had always been hyperinflationary. The basic principle in TAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the reporting date. Comparative figures for prior period are restated into the same current measuring unit.

The main procedures applied for the restatements mentioned above are as follows:

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of shareholders’ equity are restated by applying the relevant conversion factors from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date.

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

2.2 Financial Reporting in Hyperinflationary Economies (Continued)

- Property, plant and equipment are restated by applying the change in the index from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date. Depreciation is based on the restated amounts.
- All items in the income statement except for the depreciation charges explained above and deferred tax charges, are restated by applying the monthly conversion factors of the transactions to the reporting date.
- The effects of inflation on the net monetary position of the Company, is included in the profit or loss statement as “monetary gain / (loss)”.
- All items in the cash flow statement are expressed in the terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.

In the reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period, the entity shall apply the requirements of TAS 29 as if the economy had always been hyperinflationary. Therefore, in relation to non-monetary items measured at historical cost, the entity's opening statement of financial position at the beginning of the earliest period presented in the financial statements shall be restated to reflect the effects of inflation from the date the assets were acquired, and the liabilities were incurred or assumed until the end of the reporting period. For non-monetary items carried at the opening statement of financial position with their fair values, that restatement shall reflect the effect of inflation from the dates those fair values were determined until the end of the reporting period.

The Company applied TAS 29 in its opening statement of financial position as of 1 January 2022 and restate the relevant amounts to reflect the effect of inflation from the date when assets were acquired, and liabilities were assumed until the end of the reporting period.

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 31 March 2024 comparatively with the balance sheet as of 31 December 2023; 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 31 March 2024 comparatively with the 31 March 2023 condensed financial statements. Where necessary, comparative figures have been reclassified to conform to the changes in presentation in the current period and material differences are disclosed.

2.4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and 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 2023.

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 period. 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.

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS (Continued)

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 31 March 2024 and 31 December 2023 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 asset, a provision is provided either for the whole or for a certain part of the deferred tax asset. As of 31 March 2024 and 31 December 2023, 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.

2.7 Amendments in TFRS That Are Effective as of 31 March 2024

Amendments effective on or after 1 January 2024 are as follows:

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2024 are as follows:

- 1- Classification of Liabilities as Current or Non-Current (Amendments to TAS 1)
- 2- Lease Liability in a Sale and Leaseback Transaction (Amendments to TFRS 16)
- 3- Non-Current Liabilities with Covenants (Amendments to TAS 1)
- 4- Supplier Finance Arrangements (Amendments to TAS 7 and TFRS 7)
- 5- General Requirements for Disclosure of Sustainability – Related Financial Information (TSRS 1)
- 6- Climate Related Disclosures (TSRS 2)

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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

3. CASH AND CASH EQUIVALENTS

	<u>31 March 2024</u>	<u>31 December 2023</u>
Cash on hand	75,416	127,061
Cash in transit (*)	130,495	119,186
Credit card receivables	708,999	1,122,911
Banks		
Time deposit	166,719	--
Demand deposit	475,784	594,291
	<u>1,557,413</u>	<u>1,963,449</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 24.

As of 31 March 2024 time deposits are as follows:

<u>Currency</u>	<u>Interest rate</u>	<u>Maturity</u>	<u>31 March 2024</u>
USD	2.50%	2 April 2024	32,285
USD	2.50%	9 April 2024	64,571
EUR	1.50%	9 April 2024	69,605
		Interest Accrual	258
			<u>166,719</u>

The Company does not have any blocked deposits as of 31 March 2024 and 31 December 2023.

The Company’s exposure to currency risks and relevant sensitivities for cash and cash equivalents are disclosed in Note 25.

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

4. FINANCIAL LIABILITIES

As of 31 March 2024 and 31 December 2023, the details of financial liabilities are as follows;

<u>Short Term Financial Liabilities</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Short Term Financial Liabilities from Related Parties		
Bank loans with fixed interest rates (*)	222,977	59,475
Other Short Term Financial Liabilities		
Bank loans with fixed interest rates (*)	1,313,162	555,696
Bank loans with variable interest rates (*)	651,956	331,580
Sukuk issuance (*/**)	428,008	555,531
	<u>2,616,103</u>	<u>1,502,282</u>
<u>Other Short Term Financial Liabilities</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Credit Card Liabilities to Third Parties	159,388	251,743
	<u>159,388</u>	<u>251,743</u>
<u>Short Term Portion of Long Term Financial Liabilities</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Lease liabilities	669,843	529,904
	<u>669,843</u>	<u>529,904</u>
<u>Long Term Financial Liabilities</u>		
Lease liabilities	2,096,961	2,076,646
	<u>2,096,961</u>	<u>2,076,646</u>

(*) As of 31 March 2024 and 31 December 2023 the details of short-term bank loans are as follows:

<u>Currency</u>	<u>Interest Rate (i)</u>	<u>31 March 2024</u>
TRY (Fixed interest rate)	51.70%	1,863,500
TRY (Variable interest rate)	51.43%	600,000
	Interest accrual	152,603
		<u>2,616,103</u>
<u>Currency</u>	<u>Interest Rate (i)</u>	<u>31 December 2023</u>
TRY (Fixed interest rate)	43.26%	1,097,135
TRY (Variable interest rate)	33.26%	287,660
	Interest accrual	117,487
		<u>1,502,282</u>

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

(**) The Company issued sukuk amounting to TRY 190.000 on 8 November 2023 with a maturity of 364 days and an interest rate of 48%, and on 26 March 2024, an amount of TRY 200.000 with a maturity of 182 days and an interest rate of %55.

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

4. FINANCIAL LIABILITIES (Continued)

Company’s financial liabilities due to related parties are stated in Note 24.

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

The payment schedule of long-term borrowings as of 31 March 2024 and 31 December 2023 in TRY equivalent is as stated below:

	31 March 2024	31 March 2023
2025	115,775	180,587
2026	160,498	116,880
2027	106,657	73,876
2028	70,825	70,464
2029 and after	1,643,206	1,634,839
	<u>2,096,961</u>	<u>2,076,646</u>

The reconciliation of the Company's obligations arising from its borrowings for the three-month period ended 31 March 2024 and 2023 is as follows:

	31 March 2024	31 March 2023
Borrowings as of 1 January	1,502,282	2,104,376
Current period additions	2,029,902	734,884
Current period interest and capital repayments	(1,170,237)	(572,417)
Current period interest expenses (including accruals)	439,846	143,993
Inflation impact	(185,690)	(221,469)
Borrowings as of 31 March	<u>2,616,103</u>	<u>2,189,367</u>

The reconciliation of the Company's obligations arising from its lease liability for the three-month period ended 31 March 2024 and 2023 is as follows:

	31 March 2024	31 March 2023
Operating lease as of 1 January	2,606,550	2,591,485
Current period net change in operating lease liability	697,957	823,912
Current period lease payment	(341,388)	(341,972)
Current period interest expenses	163,693	170,049
Inflation impact	(360,008)	(297,606)
Lease liabilities as of 31 March	<u>2,766,804</u>	<u>2,945,868</u>

As of 31 March 2024 and 31 December 2023, 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 25.

As of 31 March 2024 and 31 December 2023, the Company has export commitment for some of the loans has been used.

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF 1 JANUARY – 31 MARCH 2024

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

5. TRADE RECEIVABLES AND PAYABLES

Detail of trade receivables and payables as of 31 March 2024 and 31 December 2023 are as follows:

<u>Short Term Trade Receivables</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Trade receivables from third parties	1,130,545	1,170,983
Shopping mall receivables	7,798	10,510
Provision for doubtful trade receivables	(25,446)	(27,245)
	<u>1,112,897</u>	<u>1,154,248</u>
Due from related parties (Note 24)	109,870	78,218
	<u>1,222,767</u>	<u>1,232,466</u>

The movement of provision for doubtful receivables for the three-month period ended 31 March 2024 and 2023 are as follows:

	<u>31 March 2024</u>	<u>31 March 2023</u>
Opening balance	27,245	46,669
Collections	(868)	(1,718)
Charge for the period	2,606	1,427
Inflation impact	(3,537)	(5,151)
Closing balance	<u>25,446</u>	<u>41,227</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>31 March 2024</u>	<u>31 December 2023</u>
Letters of guarantee received for receivables	940,488	859,004
	<u>940,488</u>	<u>859,004</u>

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

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

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

5. TRADE RECEIVABLES AND PAYABLES (Continued)

<u>Short Term Trade Payables</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Other trade payables	9,423,203	10,104,927
Due to related parties (Note 24)	391,592	219,860
	<u>9,814,795</u>	<u>10,324,787</u>

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

As of 31 March 2024 and 31 December 2023, 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 25.

6. INVENTORIES

	<u>31 March 2024</u>	<u>31 December 2023</u>
Trade goods	6,952,583	6,313,193
Impairment of inventories	(51,455)	(58,482)
	<u>6,901,128</u>	<u>6,254,711</u>

The movement of allowance for impairment on inventory for the periods ended 31 March 2024 and 2023 are as follows:

	<u>31 March 2024</u>	<u>31 March 2023</u>
Opening balance	58,482	53,971
Charge of the period	4,466	19,519
Current period reversal	(3,837)	(443)
Inflation impact	(7,656)	(6,007)
Closing balance	<u>51,455</u>	<u>67,040</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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

7. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Other Tangible Assets	Construction in Progress	Total
<u>Cost</u>				
Opening balance, 1 January 2024	9,563,544	2,057,761	86,274	11,707,579
Additions	112,093	459	44,033	156,585
Transfers (Note 9)	38,192	-	(38,407)	(215)
Disposals (*)	(42,542)	(6,987)	-	(49,529)
Closing balance, 31 March 2024	<u>9,671,287</u>	<u>2,051,233</u>	<u>91,900</u>	<u>11,814,420</u>
<u>Accumulated depreciation</u>				
Opening balance, 1 January 2024	(7,160,694)	(1,116,778)	-	(8,277,472)
Depreciation charge of the period	(192,443)	(12,252)	-	(204,695)
Disposals (*)	37,539	6,621	-	44,160
Closing balance, 31 March 2024	<u>(7,315,598)</u>	<u>(1,122,409)</u>	<u>-</u>	<u>(8,438,007)</u>
Net book value, 1 January 2024	<u>2,402,850</u>	<u>940,983</u>	<u>86,274</u>	<u>3,430,107</u>
Net book value, 31 March 2024	<u>2,355,689</u>	<u>928,824</u>	<u>91,900</u>	<u>3,376,413</u>

As of 31 March 2024, TRY 552,758 (31 March 2023: TRY 505,558) of depreciation and amortization expenses is included in marketing expenses and TRY 109,771 (31 March 2023: TRY 81,376) 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 31 March 2024, total insurance amount over property, plant and equipment is TRY 10,868,183 (31 December 2023: TRY 5,802,139). As of 31 March 2024 and 31 December 2023 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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Machinery and Equipment	Other Tangible Assets	Construction in Progress	Total
<u>Cost</u>				
Opening balance, 1 January 2023	9,275,827	2,165,126	56,096	11,497,049
Additions	87,732	42	33,060	120,834
Transfers (Note 9)	23,126	-	(23,162)	(36)
Disposals (*)	(65,875)	(61,622)	-	(127,497)
Closing balance, 31 March 2023	<u>9,320,810</u>	<u>2,103,546</u>	<u>65,994</u>	<u>11,490,350</u>
<u>Accumulated depreciation</u>				
Opening balance, 1 January 2023	(7,081,742)	(1,107,352)	-	(8,189,094)
Depreciation charge of the period	(166,628)	(16,354)	-	(182,982)
Disposals (*)	60,713	14,643	-	75,356
Closing balance, 31 March 2023	<u>(7,187,657)</u>	<u>(1,109,063)</u>	<u>-</u>	<u>(8,296,720)</u>
Net book value, 1 January 2023	<u>2,194,085</u>	<u>1,057,774</u>	<u>56,096</u>	<u>3,307,955</u>
Net book value, 31 March 2023	<u>2,133,153</u>	<u>994,483</u>	<u>65,994</u>	<u>3,193,630</u>

(*) It 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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

8. RIGHT OF USE ASSETS

<u>Cost</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Opening balance, 1 January 2024	10,025,897	147,542	10,173,439
Additions	657,681	71,288	728,969
Disposals	(86,645)	-	(86,645)
Closing balance, 31 March 2024	10,596,933	218,830	10,815,763
<u>Accumulated depreciation</u>			
Opening balance, 1 January 2024	(5,433,832)	(147,542)	(5,581,374)
Depreciation charge of the period	(394,646)	(17,822)	(412,468)
Disposals	55,633	-	55,633
Closing balance, 31 March 2024	(5,772,845)	(165,364)	(5,938,209)
Net book value, 1 January 2024	4,592,065	-	4,592,065
Net book value, 31 March 2024	4,824,088	53,466	4,877,554
<u>Cost</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Opening balance, 1 January 2023	8,184,065	95,730	8,279,795
Additions	821,596	51,812	873,408
Disposals	(89,762)	-	(89,762)
Closing balance, 31 March 2023	8,915,899	147,542	9,063,441
<u>Accumulated depreciation</u>			
Opening balance, 1 January 2023	(4,072,017)	(95,730)	(4,167,747)
Depreciation charge of the period	(351,299)	(12,953)	(364,252)
Disposals	40,266	-	40,266
Closing balance, 31 March 2023	(4,383,050)	(108,683)	(4,491,733)
Net book value, 1 January 2023	4,112,048	-	4,112,048
Net book value, 31 March 2023	4,532,849	38,859	4,571,708

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.

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 – 31 MARCH 2024

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

9. INTANGIBLE ASSETS

Other Intangible Assets

<u>Cost</u>	<u>Total</u>
Opening balance, 1 January 2024	2,021,508
Additions	39,887
Transfers (Note 7)	215
Disposals	(12,761)
Closing balance, 31 March 2024	2,048,849
<u>Accumulated amortization</u>	
Opening balance, 1 January 2024	(1,702,097)
Charge for the period	(45,366)
Disposals	11,635
Closing balance, 31 March 2024	(1,735,828)
Net book value, 1 January 2024	319,411
Net book value, 31 March 2024	313,021

<u>Cost</u>	<u>Total</u>
Opening balance, 1 January 2023	1,828,639
Additions	46,086
Transfers (Note 7)	36
Disposals	(153)
Closing balance, 31 March 2023	1,874,608
<u>Accumulated amortization</u>	
Opening balance, 1 January 2023	(1,548,215)
Charge for the period	(39,700)
Disposals	143
Closing balance, 31 March 2023	(1,587,772)
Net book value, 1 January 2023	280,424
Net book value, 31 March 2023	286,836

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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

10. GOODWILL

Goodwill amount is consisted of following investments:

<u>Investments:</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Gima	2,232,765	2,232,765
Kiler Alışveriş	955,789	955,789
Alpark	279,556	279,556
	<u>3,468,110</u>	<u>3,468,110</u>

11. SHORT AND LONG TERM PROVISIONS

Provisions for short term liabilities as of 31 March 2024 and 31 December 2023 are as follows:

<u>Short Term Provisions</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Provision for litigations and risks	82,502	86,939
Provision for personnel and social security	34,059	38,728
	<u>116,561</u>	<u>125,667</u>

Movements of provision for short term liabilities for the three-month period ended 31 March 2024 and 2023 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 2024	86,939	38,728	125,667
Charge of the period	8,067	4,950	13,017
Current year reversal / charge	(1,162)	(4,712)	(5,874)
Inflation impact	(11,342)	(4,907)	(16,249)
Closing balance, 31 March 2024	<u>82,502</u>	<u>34,059</u>	<u>116,561</u>

	<u>Provision for litigations and risks</u>	<u>Provision for personnel and social security</u>	<u>Total</u>
Opening balance, 1 January 2023	89,708	55,444	145,152
Charge of the period	2,149	5,372	7,521
Current year reversal / charge	(334)	(6,393)	(6,727)
Inflation impact	(9,973)	(6,013)	(15,986)
Closing balance, 31 March 2023	<u>81,550</u>	<u>48,410</u>	<u>129,960</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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, 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.

Provisions for employment benefits as of 31 March 2024 and 31 December 2023 are as follows:

<u>Short Term Employment Benefits</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Unused vacation provision	26,759	14,215
	<u>26,759</u>	<u>14,215</u>
<u>Long Term Employment Benefits</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Employment termination benefit provision	677,220	571,995
	<u>677,220</u>	<u>571,995</u>

Movement for employment termination benefit provision for the three-month period ended 31 March 2024 and 2023 are as follows:

	<u>31 March 2024</u>	<u>31 March 2023</u>
Opening balance, 1 January	571,995	754,575
Service cost	39,625	76,679
Interest cost	30,227	17,847
Actuarial loss	181,435	307,280
Compansations paid and accrued	(57,286)	(298,955)
Inflation impact	(88,776)	(100,887)
Closing balance, 31 March	<u>677,220</u>	<u>756,539</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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

12. LETTER OF GUARANTEES, PLEDGES, MORTGAGES AND WARRANTIES

GPMW given by the Group

	31 March 2024	31 December 2023
A. GPMW given on behalf of its own legal entity	973,713	947,167
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>973,713</u>	<u>947,167</u>

31 March 2024

	Total TRY	TRY	USD (TRY Equivalent)	EUR (TRY Equivalent)
Letter of guarantees	973,713	963,676	7,909	2,128
	<u>973,713</u>	<u>963,676</u>	<u>7,909</u>	<u>2,128</u>

31 December 2023

	Total TRY	TRY	USD (TRY Equivalent)	EUR (TRY Equivalent)
Letter of guarantees	947,167	938,697	8,283	187
	<u>947,167</u>	<u>938,697</u>	<u>8,283</u>	<u>187</u>

13. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities as of 31 March 2024 and 31 December 2023 are as follows:

<u>Employee Benefit Liabilities</u>	31 March 2024	31 December 2023
Personnel salary and premium payables	417,549	300,902
Payables to personnel and social security premiums payable	309,590	221,657
	<u>727,139</u>	<u>522,559</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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

14. DEFERRED INCOME

Deferred income as of 31 March 2024 and 31 December 2023 are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
<u>Deferred Income</u>		
Unearned income	192,502	150,689
Liabilities for shopping cheques	8,296	6,501
	<u>200,798</u>	<u>157,190</u>

15. SHAREHOLDERS' EQUITY

a) Capital

Shareholder structure as of 31 March 2024 and 31 December 2023 is stated below:

<u>Shareholders</u>	<u>(%)</u>	<u>31 March 2024</u>	<u>(%)</u>	<u>31 December 2023</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 31 March 2024 is TRY 127,774 TRY (31 December 2023: TRY 127,774) divided into 12,777,376,572 shares (31 December 2023: 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.

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.

(* The amounts stated in the above paragraphs are expressed in purchasing power at the transaction date.

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 – 31 MARCH 2024

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

15. SHAREHOLDERS’ EQUITY (Continued)

The inflation adjustment on share capital as of 31 March 2024 and 31 December 2023 are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
Inflation adjustment to share capital	14,658,612	14,658,612
	<u>14,658,612</u>	<u>14,658,612</u>

As of 31 March 2024 and 31 December 2023, inflation adjustment to share capital amounting to TRY 14,658,612 consist of inflation adjustments resulting from the restatement of the Company’s paid-in capital and not deducted from retained losses or added to share capital.

b) Retained Losses

	<u>31 March 2024</u>	<u>31 December 2023</u>
Opening balance	(11,924,180)	(13,259,955)
Transfers	1,385,596	1,335,775
Closing balance	<u>(10,538,584)</u>	<u>(11,924,180)</u>

Differences arising from inflation adjustments, resulting from valuations made within the framework of TFRS principles and were not subject to profit distribution or capital increase as of the report date, were associated with prior periods’ profits / losses.

c) Restricted Reserves

	<u>31 March 2024</u>	<u>31 December 2023</u>
Legal reserves	133,763	133,763
	<u>133,763</u>	<u>133,763</u>

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.

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

Actuarial losses

As of 31 March 2024, it consists of actuarial losses recognized as other comprehensive expense related to employment termination benefit provision amounting to TRY 847,707 (31 December 2023: 711,631).

	<u>31 March 2024</u>	<u>31 December 2023</u>
Actuarial losses	(847,707)	(711,631)
	<u>(847,707)</u>	<u>(711,631)</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 – 31 MARCH 2024

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

16. REVENUE

<u>NET SALES</u>	<u>1 January - 31 March 2024</u>	<u>1 January - 31 March 2023</u>
Revenue from retail operations	12,077,906	11,461,683
Sales returns	(72,343)	(86,297)
Sales discount	(45,939)	(51,520)
Loyalty program discounts	(43,318)	(27,534)
Rent income	23,120	24,863
	<u>11,939,426</u>	<u>11,321,195</u>

17. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

Operating expenses for the interim periods ended 31 March 2024 and 2023 are as follows:

	<u>1 January - 31 March 2024</u>	<u>1 January - 31 March 2023</u>
Marketing expenses	(2,783,102)	(2,586,622)
General administrative expenses	(404,254)	(374,780)
	<u>(3,187,356)</u>	<u>(2,961,402)</u>

18. EXPENSES BY NATURE

	<u>1 January - 31 March 2024</u>	<u>1 January - 31 March 2023</u>
Personnel expenses	(1,643,510)	(1,448,407)
Depreciation and amortization expenses	(662,529)	(586,934)
Rent expenses	(205,764)	(192,722)
Energy expenses	(198,445)	(290,243)
Advertising expenses	(118,018)	(87,490)
Outsourced expenses	(91,890)	(71,524)
Information technologies expenses	(91,284)	(81,138)
Repair and maintenance expenses	(38,586)	(38,786)
Consultancy expenses	(29,584)	(52,565)
Insurance expenses	(23,746)	(20,363)
Consumable expenses	(21,409)	(30,483)
Travel expenses	(20,908)	(17,400)
Decoration material expenses	(7,369)	(7,419)
Taxation and other expenses	(5,124)	(8,216)
Communication expenses	(616)	(645)
Other	(28,574)	(27,067)
	<u>(3,187,356)</u>	<u>(2,961,402)</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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income and expenses from operating activities for the periods ended 31 March 2024 and 2023 are as follows:

<u>Other Operating Income</u>	1 January - 31 March 2024	1 January - 31 March 2023
Rediscount interest income	50,662	1,956
Foreign exchange gain from operational activities	40,820	14,914
Franchise income	12,581	8,064
Income from rental agreement termination	1,489	3,874
Concessions for rent payments	-	93
Other income	18,026	10,077
	<u>123,578</u>	<u>38,978</u>
<u>Other Operating Expenses (-)</u>	1 January - 31 March 2024	1 January - 31 March 2023
Interest expenses from purchases via credit	(754,915)	(247,400)
Foreign exchange losses from operational activities	(34,962)	(9,403)
Interest expenses from operational activities	(581)	(1,120)
Earthquake donation expenses	-	(3,179)
Provision expenses (*)	(95)	(1,631)
Other expenses and losses	(79,042)	(74,122)
	<u>(869,595)</u>	<u>(336,855)</u>

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

20. FINANCE INCOME

Finance income for the interim periods ended 31 March 2024 and 2023 are as follows:

<u>Finance income</u>	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange income	11,742	-
Interest income	9,569	9,718
	<u>21,311</u>	<u>9,718</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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

21. FINANCE COSTS

Finance costs for the interim periods ended 31 March 2024 and 2023 are as follows:

<u>Finance costs</u>	<u>1 January - 31 March 2024</u>	<u>1 January - 31 March 2023</u>
Interest expenses	(439,846)	(143,993)
Interest expenses on lease liabilities	(163,693)	(170,049)
Credit card commission costs	(50,353)	(13,017)
	<u>(653,892)</u>	<u>(327,059)</u>

22. TAX ASSETS AND LIABILITIES

<u>Tax Income of the Period</u>	<u>1 January- 31 March 2024</u>	<u>1 January- 31 March 2023</u>
Corporate tax expense of the current period	-	-
Deferred tax income	(7,653)	(68,108)
Tax income from continuing operations	<u>(7,653)</u>	<u>(68,108)</u>

Corporate Tax:

The Company is subject to tax legislation and practices effective in Turkey. Corporate tax is declared by the evening of the last day of the fourth month following the end of the relevant accounting period and is paid in a single installment until the end of the relevant month. Entities are required to calculate temporary tax at the current rate based on their quarterly profits, declare it by the 17th day of the second month following the period, and pay it by the evening of the 17th day. Temporary taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return of that year. If temporary tax amount remains despite the offset, this amount can be refunded in cash or offset against other financial debt owed to the state.

In Turkey, the corporate tax rate was applied as 20% to the legal tax base, which was calculated by adding non-deductible expenses to and by deducting the exemptions from the commercial income in accordance with the tax laws as of 31 December 2022. However, article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate, is amended with "Law on the Amendment of Additional Motor Vehicle Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and Decree Law No. 375" and corporate tax rate was increased to 25%, starting from the declarations that must be submitted as of 1 October 2023, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. Therefore, the Company used 25% taxation rate for the calculation of current period's taxation.

Within the scope of this amendment, tax rate used in deferred tax calculation as of 31 March 2024 is 25% (31 December 2023: 25%).

Within the scope of Article 298 of the Tax Procedure Law, the necessary conditions for inflation adjustment on financial statements have been met as of 31 December 2021. However, in accordance with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, which was published in the Official Gazette numbered 31734 dated 29 January 2022, and the provisional Article 33 of the Tax Procedure Law numbered 213:

- Regardless of whether the conditions for inflation adjustment within the scope of Article 298, including temporary tax periods, are met or not, financial statements will not be subject to inflation adjustment in 2021 and 2022 accounting periods and the 2023 temporary tax periods,

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

22. TAX ASSETS AND LIABILITIES (Continued)

Corporate Tax (continued):

- The financial statements as of 31 December 2023 will be subject to inflation adjustment in a way that will not affect the corporate tax base,

has been ruled.

In accordance with the Tax Procedure Law General Communiqué No. 555 published in the 2nd bis Official Gazette dated 30 December 2023 and numbered 32415, and the 298th bis article of the Tax Procedural Law No. 213, the financial statements of entities operating in Turkey, for the 2023 accounting period, are subject to inflation adjustment. These inflation-adjusted financial statements will be opening balance sheet in the tax returns to be prepared as of 1 January 2024, and inflation effects will not be taken into account in the period tax calculation for 2023.

According to temporary Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2023 are included in the deferred tax calculation as of 31 December 2023.

In accordance with the Corporate Tax Law, declared financial losses can be carried forward for a maximum period of five years to offset against future taxable income. Declarations and relevant accounting records can be examined by the tax authorities within five years and tax amounts can be revised.

Dividend payments made to resident joint-stock companies in Turkey, except to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 10% income tax.

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to the capital.

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. 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 starting from 2018. Additionally, with the amendment, as of 15 July 2023, 50% tax exemption for immovable sales profits mentioned in Law No. 5520 has been abolished. However, this exception will be applied as 25% for the sale of immovables before 15 July 2023.

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.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Corporate tax returns are file within four months 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.

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 Presidential Decision No. 4936, 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.

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

22. TAX ASSETS AND LIABILITIES (Continued)

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 31 March 2024 and 31 December 2023, the Company has no tax liability for the period.

Deferred Tax Assets and 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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

22. TAX ASSETS AND LIABILITIES (Continued)

Deferred Tax Assets and Liabilities (continued):

Deferred tax calculation for the periods ended 31 March 2024 and 31 December 2023 is as follows:

<u>The basis for deferred tax timing differences:</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Provision for contingencies	239,227	214,082
Provision for impairment in fixed assets	23,743	27,320
Inventory valuation differences	183,073	146,839
Other current assets	179,129	249,950
Provision for employment termination benefit	677,220	571,995
Property, plant and equipment and intangible assets	(62,145)	40,545
Right of use assets	(4,877,554)	(4,592,065)
Other short term liabilities	(64,837)	266,456
Finance lease liabilities	2,766,804	2,606,549
Carry forward tax losses	1,741,367	1,107,269
Other	2,330	18,595
	<u>808,357</u>	<u>657,535</u>

<u>Deferred tax assets / (liabilities) :</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Provision for contingencies	59,807	53,521
Provision for impairment in fixed assets	5,936	6,830
Inventory valuation differences	45,768	36,710
Other current assets	44,782	62,488
Provision for employment termination benefit	169,305	142,999
Property, plant and equipment and intangible assets	(15,536)	10,136
Right of use assets	(1,219,389)	(1,148,016)
Other short term liabilities	(16,209)	66,614
Finance lease liabilities	691,701	651,637
Carry forward tax losses	435,342	276,817
Other	584	4,649
	<u>202,091</u>	<u>164,385</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 2029. 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 435,342 (31 December 2023: TRY 276,817) 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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD OF
1 JANUARY – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

22. 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>31 March 2024</u>	<u>31 December 2023</u>
2024	182,259	209,714
2025	154,997	178,346
2026	213,633	245,815
2028	411,418	473,394
2029	779,060	-
	<u>1,741,367</u>	<u>1,107,269</u>

The movements of deferred tax asset as of and for the three-month period ended 31 March 2024 and 2023 are as follows:

<u>Deferred tax asset:</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
Opening balance at 1 January	164,385	(249,017)
Current year expense	(7,653)	(68,108)
Tax income attributable to equity	45,359	61,456
Closing balance at 31 March	<u>202,091</u>	<u>(255,669)</u>

23. LOSS PER SHARE

Weighted average number of shares and basic earnings per share for the periods ended 31 March 2024 and 31 March 2023 are as follows:

	<u>31 March 2024</u>	<u>31 March 2023</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)	<u>(170,509)</u>	<u>103,690</u>
Loss per share of 1 KR (Full)	<u>(0.0133)</u>	<u>0.0081</u>
Loss per share of 1 TRY (Full)	<u>(1.3345)</u>	<u>0.8115</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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

<u>Cash and cash equivalents (Note 3)</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Akbank T.A.Ş.	136,271	486,636
<u>Financial Liabilities (Note 4)</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Akbank T.A.Ş.	222,977	59,475
<u>Trade receivables from related parties (Note 5)</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Carrefour World Trade	63,936	30,502
Majid Al Futtaim Hypermarkets Llc U	24,284	33,810
MAF Hypermarkets	11,158	-
Carrefour Polska Sp. z o. o.	2,491	304
Agesa Emeklilik ve Hayat A.Ş.	2,019	118
Kordsa Teknik Tekstil A.Ş.	1,346	-
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	987	-
Teknosu İç ve Dış Ticaret A.Ş.	842	-
Akbank T.A.Ş.	508	179
Çimsa Çimento Sanayi ve Ticaret A.Ş.	478	-
Carrefour Global Sourcing Asia	296	347
Carrefour SA Direction Generale	68	78
Ak Finansal Kiralama	36	41
Temsa Skoda Sabancı Ulaşım Araçlar	11	1,781
Akçansa Çimento Sanayi ve Ticaret A.Ş.	-	10,646
Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	-	10
Other	1,410	402
	<u>109,870</u>	<u>78,218</u>
<u>Trade payables to related parties (Note 5)</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Akbank T.A.Ş.	235,294	154,834
Aksigorta A.Ş.	151,209	6,220
Sabancı Dijital Teknoloji Hizmetler A.Ş.	4,823	41,276
Carrefour Hypermarches SAS	190	218
Carrefour Marchandises International	29	34
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	47	13,013
Teknosu İç ve Dış Ticaret A.Ş.	-	4,243
Agesa Emeklilik ve Hayat A.Ş.	-	3
Aköde Elektronik Para ve Ödeme Hiz.	-	19
	<u>391,592</u>	<u>219,860</u>
<u>Other short term payables to related parties</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Hacı Ömer Sabancı Holding A.Ş.	94,341	54,937
Carrefour Partenariat International	29,011	31,788
	<u>123,352</u>	<u>86,725</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 – 31 MARCH 2024

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 31 March 2024	1 January - 31 March 2023
<u>Purchases from related parties (goods)</u>		
Teknosa İç ve Dış Ticaret A.Ş.	-	22,490
	-	22,490
<u>Purchases from related parties (services)</u>		
Aksigorta A.Ş.	23,591	20,929
Sabancı Dijital Teknoloji Hizmetler A.Ş.	3,625	6,820
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	2,647	153,066
Teknosa İç ve Dış Ticaret A.Ş.	489	123
	30,352	180,938
<u>Rent income from related parties</u>		
Akbank T.A.Ş.	2,316	2,509
Teknosa İç ve Dış Ticaret A.Ş.	1,363	1,639
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	261	-
	3,940	4,148
<u>Rebates and other income from related parties</u>		
Carrefour World Trade	38,762	30,791
Majid Al Futtaim Hypermarkets Llc U	26,003	6,462
MAF Hypermarkets	12,446	-
Agesa Emeklilik ve Hayat A.Ş.	4,838	2,580
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	4,053	73
Carrefour Polska Sp. z o. o.	2,315	2,238
Teknosa İç ve Dış Ticaret A.Ş.	2,078	2,597
Aksigorta A.Ş.	1,849	1,387
Kordsa Teknik Tekstil A.Ş.	1,381	1,761
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	1,273	-
Temsa Skoda Sabancı Ulaşım Araçlar	1,071	1,250
Hacı Ömer Sabancı Holding A.Ş.	1,020	552
Carrefour Global Sourcing Asia	1,009	634
Akbank T.A.Ş.	887	2,288
Çimsa Çimento Sanayi ve Ticaret A.Ş.	506	732
Sabancı Dijital Teknoloji Hizmetler A.Ş.	400	458
Global Retail C.I. LTD	469	-
Label'Vie	456	-
Ak Yatırım Menkul Değerler A.Ş.	177	-
Akçansa Çimento Sanayi ve Ticaret A.Ş.	132	396
Brisa-Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	52	513
Other	96	197
	101,273	54,909

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira ("TRY") expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 31 March 2024	1 January - 31 March 2023
<u>Other expenses to related parties</u>		
Hacı Ömer Sabancı Holding A.Ş.	41,079	38,780
Carrefour Partenariat International	33,414	31,275
Other	10	12
	<u>74,503</u>	<u>70,067</u>
	1 January -	1 January -
	31 March 2024	31 March 2023
<u>Interest income from related parties</u>		
Akbank T.A.Ş.	571	14
<u>Interest expense and credit card commission to related parties</u>		
Akbank T.A.Ş.	31,460	15,761
	<u>31,460</u>	<u>15,761</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 - 31 March 2024	1 January - 31 March 2023
Salaries and other short term benefits	32,458	27,998
Other long term benefits	586	945
	<u>33,044</u>	<u>28,943</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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

25. 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:

	31 March 2024		
	TRY Equivalents (Functional currency)	USD	EUR
1. Trade receivables	175,732	2,001	3,193
2. Liquid assets	228,460	3,729	3,105
3. CURRENT ASSETS (1+2)	404,192	5,730	6,298
4. Other	174,117	4,531	800
5. NON-CURRENT ASSETS	174,117	4,531	800
6. TOTAL ASSETS (3+5)	578,309	10,261	7,098
7. Trade payables	263,735	7,430	672
8. Other payables	29,011	-	832
9. Financial liabilities	-	-	-
10. Non-monetary other liabilities	23,593	613	108
11. CURRENT LIABILITIES (7+8+9+10)	316,339	8,043	1,612
12. Financial liabilities	63,114	-	1,810
13. NON-CURRENT LIABILITIES	63,114	-	1,810
14. TOTAL LIABILITIES (11+13)	379,453	8,043	3,422
15. Net foreign currency asset / liability position (6-14)	198,856	2,218	3,676
16. Net monetary foreign currency asset / liability position (6-14-10)	175,263	1,605	3,568

**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 – 31 MARCH 2024**

(In thousands of Turkish Lira (“TRY”) expressed in 31 March 2024 purchasing power, unless otherwise indicated.)

25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Risk (Continued)

	31 December 2023		
	TRY Equivalents (Functional currency)	USD	EUR
1. Trade receivables	157,451	2,632	1,822
2. Liquid assets	282,693	4,033	3,897
3. CURRENT ASSETS (1+2)	440,144	6,665	5,719
4. Other	183,452	4,531	800
5. NON-CURRENT ASSETS	183,452	4,531	800
6. TOTAL ASSETS (3+5)	623,596	11,196	6,519
7. Trade payables	137,210	3,781	237
8. Other payables	31,788	-	847
9. Financial liabilities	-	-	-
10. Non-monetary other liabilities	23,477	636	50
11. CURRENT LIABILITIES (7+8+9+10)	192,475	4,417	1,134
12. Financial liabilities	76,533	-	2,038
13. NON-CURRENT LIABILITIES	76,533	-	2,038
14. TOTAL LIABILITIES (11+13)	269,008	4,417	3,172
15. Net foreign currency asset / liability position (6-14)	354,588	6,779	3,347
16. Net monetary foreign currency asset / liability position (6-14-10)	331,111	6,143	3,297

**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 – 31 MARCH 2024**

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

25. 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.

31 March 2024

	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	7,112	(7,112)
2- Amount hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	7,112	(7,112)
In case of 10% appreciation of EUR against TRY		
4 - Euro net asset / liability	12,774	(12,774)
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	12,774	(12,774)
TOTAL (3 + 6)	19,886	(19,886)

31 December 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	22,934	(22,934)
2- Amount hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	22,934	(22,934)
In case of 10% appreciation of EUR against TRY		
4 - Euro net asset / liability	12,524	(12,524)
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	12,524	(12,524)
TOTAL (3 + 6)	35,458	(35,458)

**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 – 31 MARCH 2024**

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

25. 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).

26. EVENTS AFTER THE BALANCE SHEET DATE

None.