

Digitalization and **Our Innovative Practices**

We are aware of the necessity and importance of taking steps towards digital transformation in order to achieve sustainable growth. With this awareness, we implement technological applications and improve the services we offer through our online sales channels every day, so that our customers can access the products in the easiest and fastest way. **In 2020, our R&D and innovation investments reached TRY 43,178,146.**



Since our establishment, we have been leading the development of modern retail by implementing many technology-based innovations.

OUR E-COMMERCE CHANNELS

Our customers can easily access the products sold in our stores through our **Migros Sanal Market, Tazedirekt, Migros Hemen** and **Macroonline** channels. We provide online shopping services in 81 provinces of Turkey. In 2020, we increased our company's online sales by nearly three times. As an output of this success, as of 2020, the number of our customers who are members of our online sales channels reached **7.9 million**.

Our online sales have tripled in one year.

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MIGROS SANAL MARKET

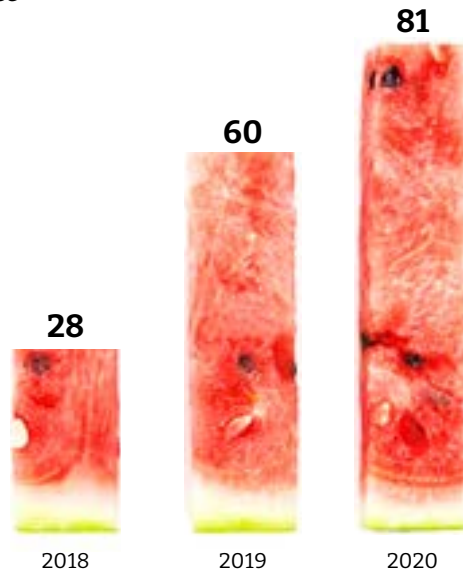
In our Migros stores in certain locations, we allocated some areas for e-commerce operations and increased both product collection efficiency and service quality by establishing “e-commerce dark stores” at these areas. Thanks to these mini warehouses, we blazed a trail, and thanks to the transport robots we positioned, we ensured that e-commerce orders were collected accurately and quickly with the help of robots.

In line with changing and increasing consumer needs due to the impact of the Covid-19 pandemic, we introduced the “Click & Collect (Tıkla Gel-al)” service to expand the service network we offer to our customers. Thanks to this service, our customers can pick up the orders they place on the Migros Sanal Market themselves, from stores that offer the “Click & Collect” service.

Migros Sanal Market was awarded the first place in the category of “Market Order Platform of the Year” in the survey with companies conducted by Webrazzi, which left its mark on 2020!



Number of Cities Providing the Migros Sanal Market Service



We expanded our ‘Sanal Market’ operations, which operated in 60 provinces in 2019, to 81 provinces as of 2020





TAZEDİREKT

Tazedirekt offers services in **6 different provinces** with its slogan, "Care About What You Eat" and its renewed website, www.tazedirekt.com. Via Tazedirekt, we procure fruit and vegetables from **20 farms directly**, which we have carefully selected from all over Turkey and which make organic production. At the same time, we share the source of the products sold to our customers, with all transparency, through sales channels. Manufacturers can tell about themselves and their products via our website and mobile application. In this way, we enable our customers to get to know the products they purchase more closely.

Taze
Direkt



MİGROS HEMEN

As Migros, we introduced the Migros Hemen application to our customers in 2019 in order to meet the changing consumer behavior and expectations, and at the same time, enhance the competitiveness of our company. Expanding its field of activity rapidly in 2020, Migros Hemen continues to serve our customers in **23 provinces**. Our customers can reach the products they need **within 30 minutes**, at Migros prices, quality and assurance, via Migros Hemen. With our stores and strong logistics network, we aim to offer Migros Hemen to our customers in more than 30 provinces in 2021.

MİGROS
Hemen



MACROONLINE

We continue to make a difference with our service standard and special products through Macrocenter, and bring Macrocenter's products and quality with our consumers in **7 different provinces** via online channels too. Thanks to the 'Macroonline' mobile application that we launched in 2018, we recorded strong growth in our e-commerce operations. In 2020, we renewed the macrocenter.com.tr website and opened it up for use again. At the locations where traffic is intense, we have put our **Macro Kiosk** brand into operation which has the need of small square meters and advantage of finding location fast.

macro^{online}

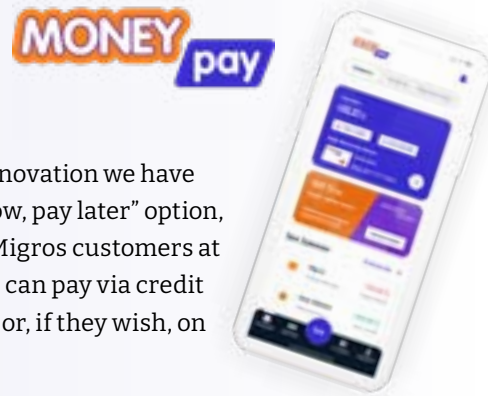
OUR INNOVATIVE SERVICES

Within our loyalty program, **Money card**, 14 million individual customers benefited from our special discounts in 2020. In addition, with the **integration of Istanbul-card and Money Card**, which we launched in 2019, all Istanbul-card holders are now able to benefit from Money Card advantages. In this way, our customers can load their Istanbul-cards in our stores, make their shopping payments with their Istanbul-cards, and use “Money” stored on their Money-cards for public transportation.

Due to the impact of Covid-19, the need for technologies that minimize in-store contact has increased along with the interest in e-commerce.

There has been an increase in artificial intelligence-based solutions, learning algorithms and self-service solutions. In line with this trend, while having signed many new projects in 2020, we also completed many projects whose foundations were laid in the past years.

We provided our customers with an innovative payment alternative via **MoneyPay**, which aims to provide our customers with fast, easy and secure access to financial solutions. With this innovation we have introduced, MoneyPay offers the “shop now, pay later” option, using preset limits specially defined for Migros customers at the first stage. In this way, our customers can pay via credit card, money order/EFT method, QR code, or, if they wish, on Migros Sanal Market.



In addition to becoming the first official sponsor of the E-Sports Clubs Association (E-spor Kulüpler Birliği), we started to organize our own e-sports tournaments by establishing the **Migros E-Sports platform** in 2020.

Listening closely to our customer expectations, we redesigned the



MKolay application which allows our customers to complete their transactions in a practical way, without re-reading the products at the checkout. Furthermore, we increased the number of stores where the MKolay application is valid to 62. We designed a contactless shopping experience by combining the payment stage which is the completion of shopping with Jet cash registers.

Migros Up, which we pre-launched in 2020, is our joint innovation platform that brings together Migros experts and entrepreneurs in the same agile team. Entrepreneurs selected at the launch will have the opportunity to receive training from Silicon Valley experts and explain their projects to investors. We aim to make innovation fast and effective and add value to the entrepreneurship ecosystem of Turkey.



For the first time in Turkey, we provided **traceability in fruit and vegetables with the blockchain**. With the Migros Mobile Application, we shared the journey of more than 750 vegetables and fruits that have blockchain logos from field to shelf with our customers.



In cooperation with Microsoft and Motiwe, we developed an artificial intelligence-supported system which calculates the probability of stock inconsistency, and increased product availability by examining our products via camera systems

In order to ensure product reliability and traceability, we started to install **Digital Agriculture Stations** in our farmers' fields, in **cooperation with Vodafone**. By 2023, we aim to develop a digital platform to ensure food traceability.



We piloted our **self-service stores**, which are in vending format, to provide our customers with 24/7 access to essential products.

