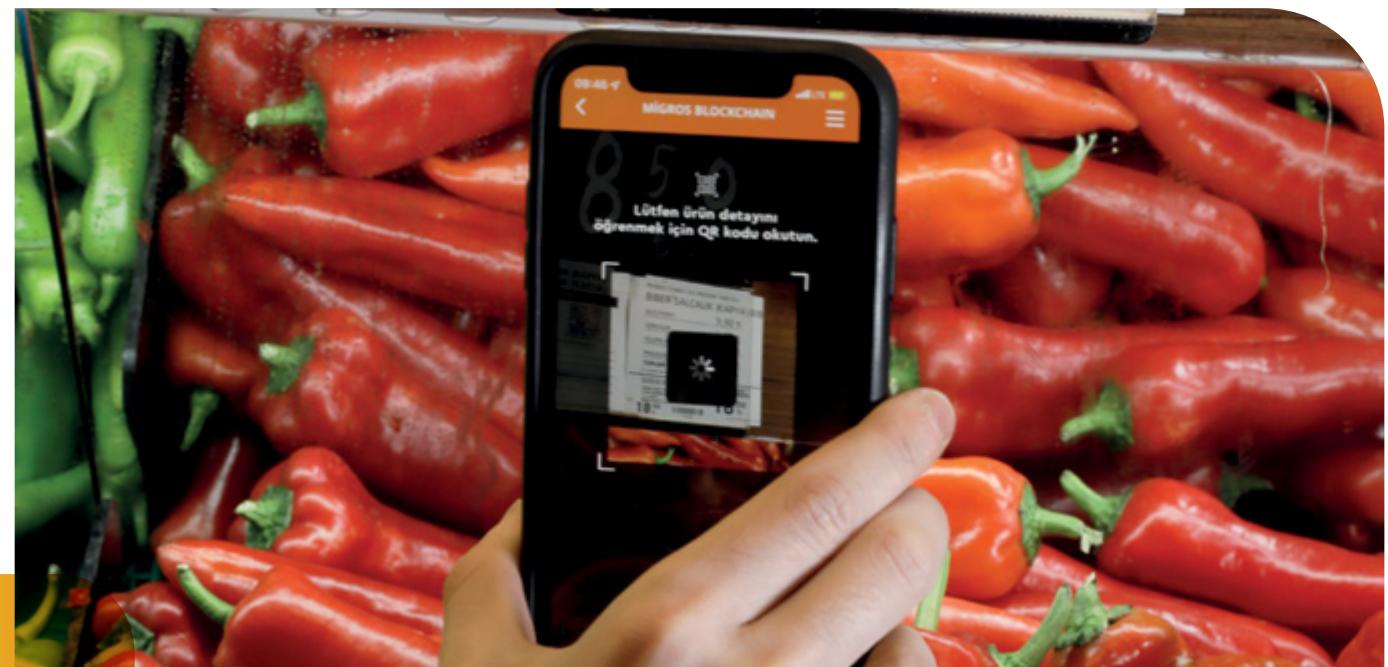


Digitalization and Our Innovative Practices

As Migros, we continue with our efforts by making investments in the future with the values we created. Accordingly, with our IT infrastructure and R&D Center that we established and developed and our innovative Migros Up team, which is growing every passing day, we strengthen the joint innovation aspect of our company. In addition, we continue to provide our customers with best service with our web and mobile applications and innovative products and services. We ensure traceability of the services we provide, improve our online shopping platforms and implement the suggestions we receive from our customers by customizing them. We support our internal and external entrepreneurship activities. We attach importance to access by our customers to information quickly and reliably, and work to carry one step forward transparent and fast flow of product information. We produce technological solutions and carry out awareness efforts for privacy of our customers and employees and data security. We focus on R&D efforts to increase accessibility of our products and to reach more consumers.

Our R&D and innovation investments reached TRY 43 million in 2021.

Our R&D center has been actively working for 8 years to develop the innovative practices brought to agenda in the industry and the projects and technological infrastructures that we implemented accordingly, and to work in collaboration with various R&D companies. Since artificial intelligence-based solutions started to show its effect on business processes in the retail industry as well, with the technology ever-developing, our investments and efforts in this respect also increase every day. In this context, we have 148 full time employees in our R&D and innovation departments.

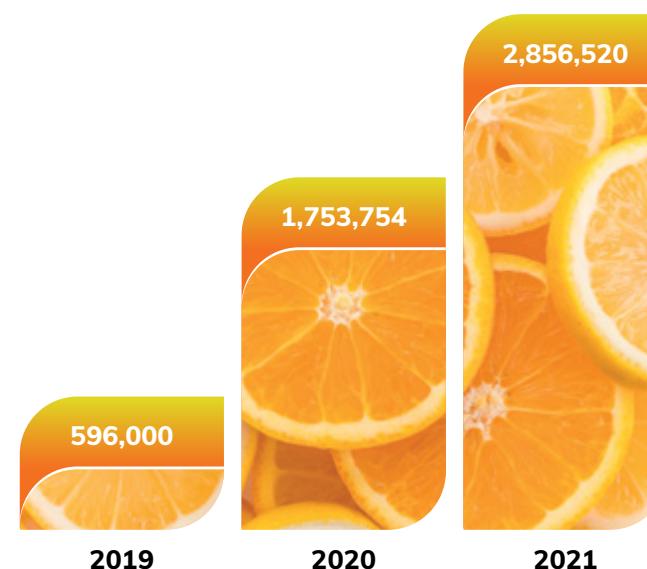


Our E-Commerce Channels

Having made its first investment in this area in 1997, Migros established Migros Sanal Market, which is the first food e-commerce website of Türkiye, and put it into service in 81 provinces in 2020. In order to provide ease of use for our customers, we collected **Migros Sanal Market**, **Migros Hemen** and **Migros Ekstra** under a single application. We incorporated **Dijital Platform Gıda Hizmetleri A.Ş.** to accelerate the development of our Company's online channels with the changing and increasing demands of our customers in various lines of business in online retailing.

We deliver our online shopping service across Türkiye through many channels. Our customers can easily and quickly access the products sold in our stores through our Migros Sanal Market, Tazedirekt, Migros Hemen, Macroonline and Migros Ekstra channels. In 2021, we ensured easy access to our products with our innovative practices that we offer according to the needs and continued to increase our Company's online sales compared to the previous year. To facilitate accessibility to our channels, we combined our Migros Sanal Market, Migros Hemen and Migros Ekstra applications, under the application "Migros". In addition, we made our website and mobile application compatible with the screen reader program used by visually disabled individuals.

Annual Number of Active Customers of Online Channels



Thanks to our fast and easy-to-use services, our online sales increased by 87% compared to the previous year.



Migros Sanal Market

We allocated some areas in our Migros stores at certain locations, for our e-commerce operations. We set up “mini e-commerce dark stored” in these areas we designated, and by this means we increased both the efficiency of product pick up and the service quality. We blazed a trail and placed carrier robots in our mini warehouses we set up and ensured efficient pick up of e-commerce orders with the help of robots.

To meet the changing needs of our customers, we expanded the service network that we provide to all our consumers and made the “Click & Collect (Tikla Gel-al)” service available. Thanks to this service, our customers can personally take delivery of the orders they placed on Migros Sanal Market, from all stores providing the service of “Click & Collect”. Besides, we made improvements in the logistics processes in our Sanal Market services and increased the number of our electric vehicles. Thus, we can provide service to more customers in a shorter time and carry out our deliveries in a nature-friendly manner. In 2020, we made widespread our ‘Sanal Market’ operations which were carried out in 58 provinces in 2019 and reached everywhere in Türkiye. This year **we continue to provide service in our 81 provinces.**



As an output of the investments, we made as Migros to our online channels, we ranked 1st with our Migros Sanal Market application in 2021 in Webrazzi awards in the category of **“Market Order Platform of the Year”!**



Migros Ekstra

We provide our customers with easy access to many non-food products they look for, from electronic toys, clothes and accessories to glassware with our Migros Ekstra application. In 2021, we started to provided service with same-day delivery guarantee in certain regions on our Migros Ekstra application, which we already provide service in 81 provinces. Within the scope of our application, we increased the number of service areas that provide same-day delivery throughout the year.

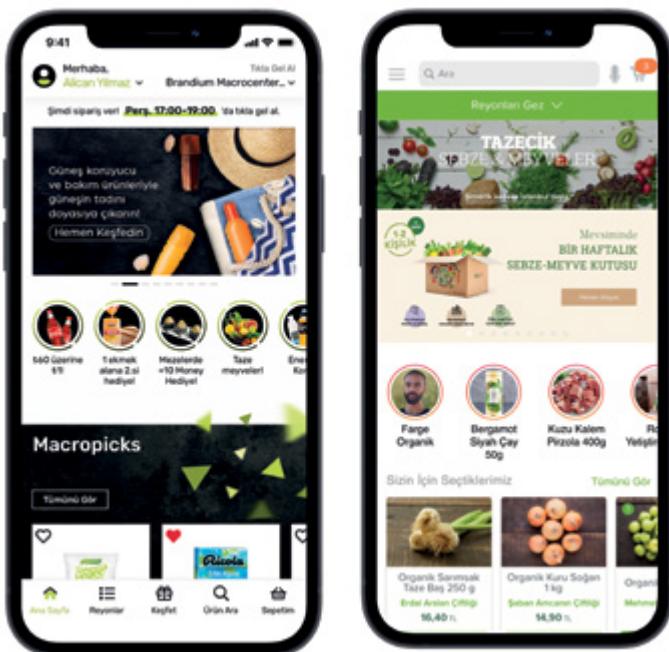
Migros Hemen

As Migros, we launched the “Migros Hemen” application available to our customers in 2019 to meet the changing behaviors and expectations of our customers, as well as to increase our company’s competitiveness in the industry. Migros Hemen has quickly grew its areas of operation to cover the needs of its customers and continue to provide service in 2021 with 228 stores in 49 provinces. Our customers can reach the products they need within a matter of minutes through Migros Hemen with the assurance of Migros at the same price and in the same quality. Thanks to our strong and growing logistics network in the industry and our Migros stores which are accessible from everywhere in Türkiye, we aim to make Migros Hemen widespread in 2022 as well.

Macroonline

We continue to make difference by providing our special and quality products with our high service standard through Macrocenter. We deliver Macrocenter products and quality to our consumers in 9 cities through 'Macroonline' mobile application launched in 2018. With our mobile application, we both provided our customers with services more easily and quickly and achieved a strong growth in our e-commerce operations. We renewed the website www.macrocenter.com.tr and brought into use again in 2020, thus we provide service on all kinds of platforms.

macro^{on}line



Tazedirekt

Through Tazedirekt, we procure fruits and vegetables from 64 farms making organic production, which we carefully selected from all over Türkiye and regularly audit, without any intermediary. With the renewed website www.tazecik.com, we provide service in 5 cities. In addition, we share the source of products clearly through our sales channels. Manufacturers can describe themselves and the products through our website and mobile applications. By this means, our customers have the chance to get to know better the products they purchase.

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Our Innovative Services

We provide our customers with various innovative services by keeping pace with changing technologies innovations. Accordingly, in 2021, we completed our project of making Money Card applications entirely in digital environment, and 15.5 million individual customers using the card benefited from the special discounts made within the scope of our Loyalty Program. In addition, all Istanbulkart users can benefit from Money Card advantages since the integration of Istanbulkart and Money Card in 2019. By this means, our customers can load their Istanbulkart in our stores, make their shopping payments with their Istanbulkart, and use their Money saved in their Money Card for public transportation.

With the impact of Covid-19 pandemic, the need for technologies that minimize in-store contact increased along with the interest in e-commerce. Thus, artificial intelligence-based solutions, learning algorithms and self-service solutions also became prevalent. As Migros, we undersigned many projects in 2021 to meet the increased demands and needs of our customers, and this year we completed many projects that we launched in previous years.

"Migros Up", Leader of Innovation Culture

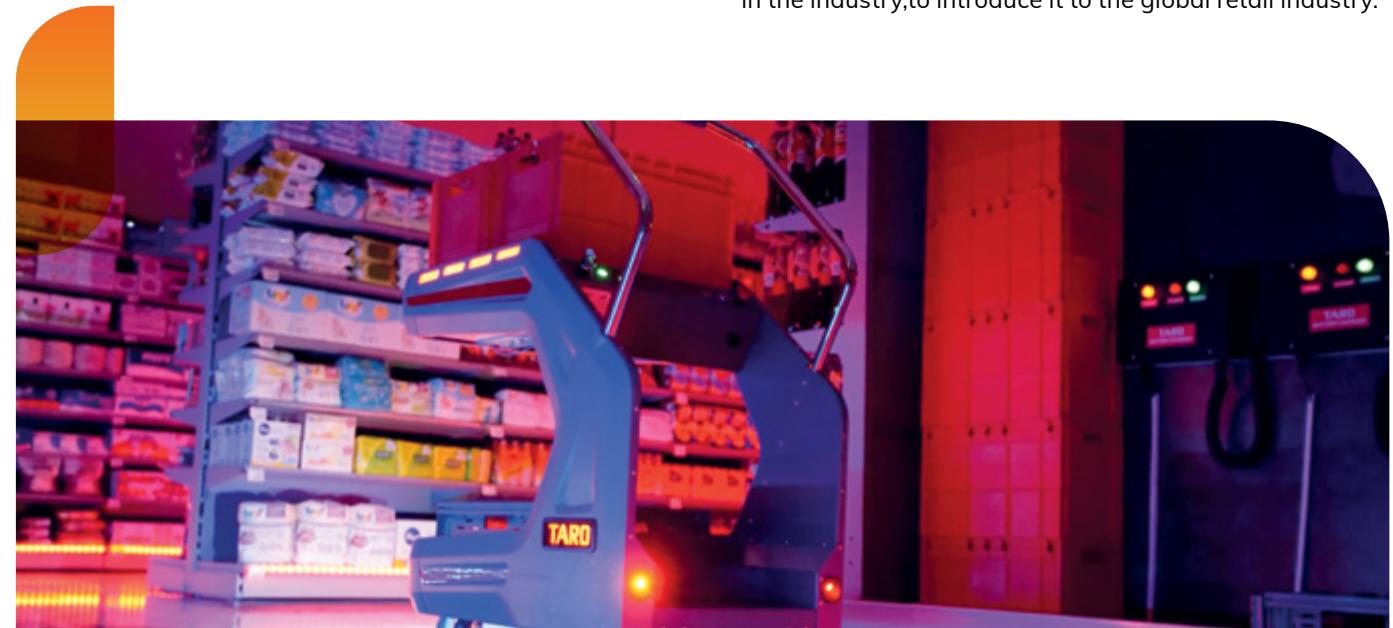
- As Migros, we established Migros-Up, with 3 main pillars of creating entrepreneur collaborations which is one of the leading innovative channels of the future, guiding large corporate companies to find the right connections, and focusing on design, which is the key point while developing products and services. In this context, we continuously follow up on the technologies and trends of the future by always keeping up-to-date, and integrating our innovative applications into our business processes.
- We have an extensive technological portfolio, from e-commerce to physical store operations, from human resources practices to a supply chain network spread over 81 provinces of Türkiye, and from CRM applications to artificial intelligence-based algorithm blockchain infrastructure. We carry out a large number of projects aimed at raising awareness of consumers on fundamental issues such as sustainability, agriculture, biodiversity and healthy living, and we support all of these with R&D practices. Agriculture technologies and wellbeing technologies are also on our agenda as much as our fundamental processes.
- We pre-launched Migros Up in 2020, and now we accelerate to produce efficient and innovative practices, drawing our strength from being a team. By saying "The New Way of Making Innovation", we bring our Migros experts and entrepreneurs together in a single team, in our joint innovation platform. We aim to add value to Türkiye's entrepreneurship ecosystem by producing innovations and creating strategic collaborations. In 2021, as Migros Up team, we examined up to 300 initiatives

and triggered new business opportunities by bringing more than 50 of them together with the relevant business units.

➤ Some projects that we carried out in 2021:

- We designed an electronic micro mobility vehicle named "WaMo" with Bugiworks Technology (Hergele Electric Scooter) based on electric scooter technology to digitalize the supply processes and increase efficiency.
- We created the system "Clean Up" with ERG Controls, using IoT and image processing technology to monitor the hand hygiene practices of employees full time.

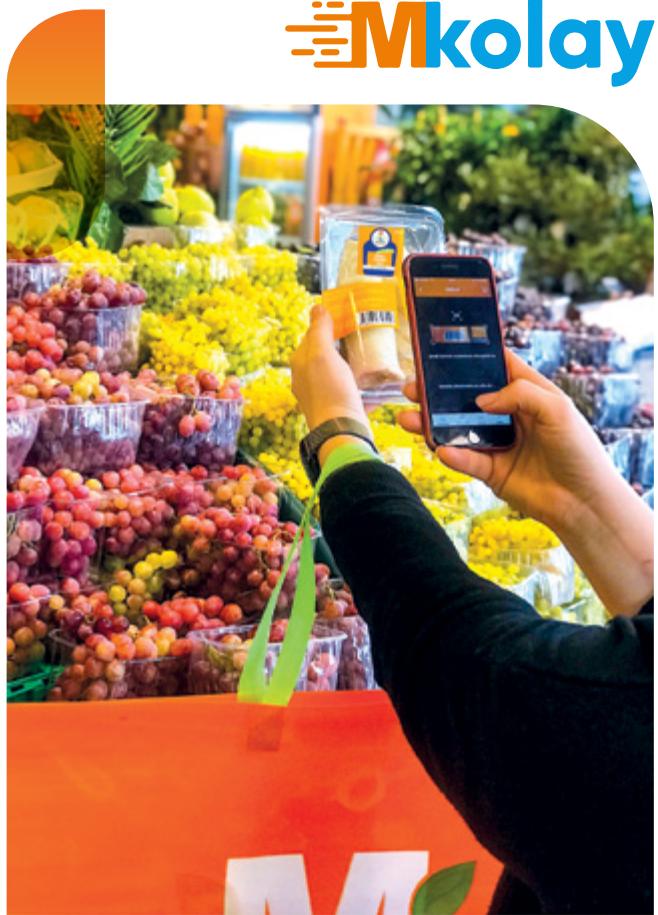
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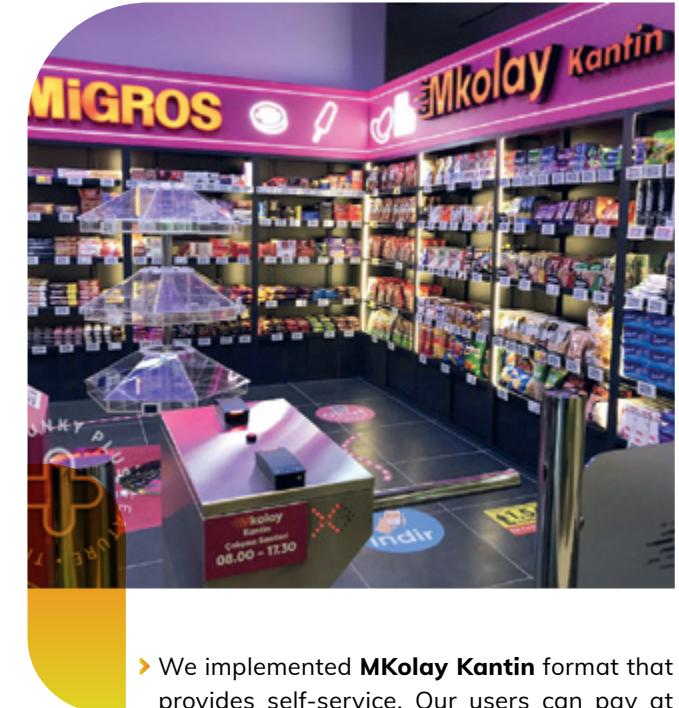
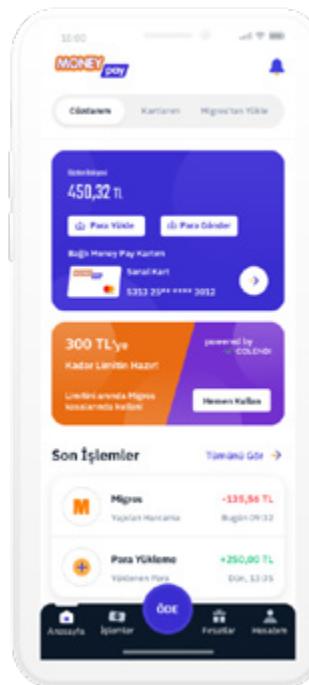
"Robot Taro", a first in the world

By integrating innovation and technology into our business manners, we started to use our store warehouses, our robot-supported product pick-up assistant Taro, which is of great importance in e-order picking up being the first in the world in its area. With our Migros Sanal Market team and Taro, which was developed by our Turkish engineers, we both broke new ground in the retail industry technologically and gained benefit to our customers and employees in a period of fewer than 12 months. Our robot Taro with its user-friendly design picks up the products of our customers who placed an order online 5 times quicker and faultlessly, and can receive 3 orders at once. Migros prepares 50% of Migros Sanal Market orders with TARO. We are also planning to export this technology, which is a first in the industry, to introduce it to the global retail industry.

► We redesigned our **MKolay** application, which allows our customers to complete their shopping practically, considering the customer expectation changing and developing every passing day. In addition, we increased the number of stores using **MKolay** application to 121. We designed a fast, safe and contactless shopping experience by combining the payment stage of shopping of our customers with Jet cash registers.



► We provided our customers with a first regarding the payment option of **MoneyPay**, which aims to allow a safe, fast and easy access to financial solutions. With this innovation, MoneyPay makes available at the first stage the option of "**shop now, pay later**", by using the preset limits specially defined for Migros customers. Thanks to this option, our customers can make their payments in the store with a MoneyPay wallet QR code, and they can also make payments via MoneyPay for their purchases from the Migros Sanal Market application, with the preset limit or wallet balance defined for them.



► We implemented **MKolay Kantin** format that provides self-service. Our users can pay at workplaces, offices and plazas without leaving their environment, through the application using their preset limits, credit cards or MoneyPay balances, and receive their invoice by SMS.

► We implemented the Robotic Process Automation (RPA) project to automatize into robotic procedures the repeating and routine works with a large transaction volume that are carried out by employees on a computer. Within the scope of the project, we ensured the performance of 34 business processes of 8 different departments completed by robots and allowed us a monthly average gain equal to the daily working hours of 11 personnel.



► To ensure product safety and traceability, we started to establish Digital Agriculture Stations in collaboration with Vodafone to allow our farmers to check the condition of their fields, humidity of soil and needs on their mobile phones. We purchased 12 stations at the beginning of the project and completed their setup in the fields of our farmers. Farmers use these stations as a decision support mechanism in their agricultural production, and they are supported by data from this station about irrigation, fertilization, disinfection etc. We also prevent water and electricity waste with Digital Agriculture Stations which give an irrigation warning only for necessary times.

► We piloted our self-service stores in vending format to offer our customers 24/7 access to the products of basic need.

► We became the first official sponsor of E-Sports Clubs Association(E-spor Kulüpler Birliği). Moreover, we established our **Migros E-Sports platform** and started to organize our own e-sports tournaments.

'Migros E-Spor Turnuvası'nda ikinci sezon heyecanı başlıyor

Oyun severler tarafından yoğun ilgi gösteren Migros e-spor turnuvalarında ikinci sezon heyecanı yarın başlıyor.

DÜNYA Haber Merkezi | YAYINLAMA: 26 Kasım 2020 13:18 | GÜNCELLEME: 26 Kasım 2020 13:26

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► We started to use an artificial intelligence supported system which calculates the likelihood of stock inconsistency and monitors the products with a camera system. With our system developed in collaboration with Microsoft and Motive, we increased product availability by viewing our products through a camera.

