Migros Ticaret A.Ş.

2020 Financial Results

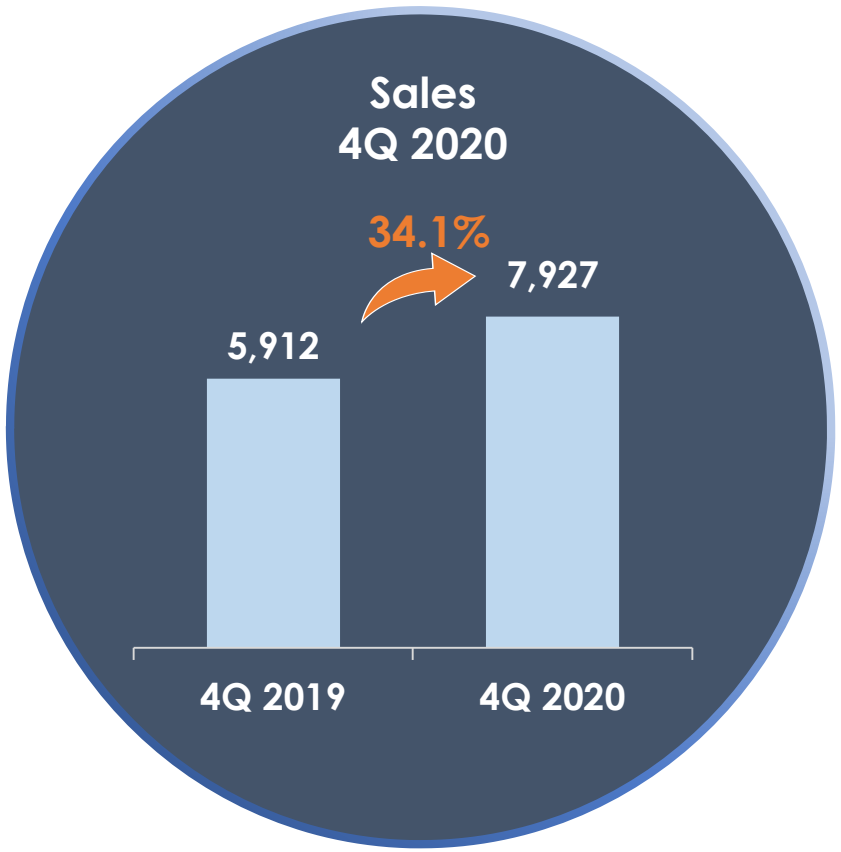
MiGROS

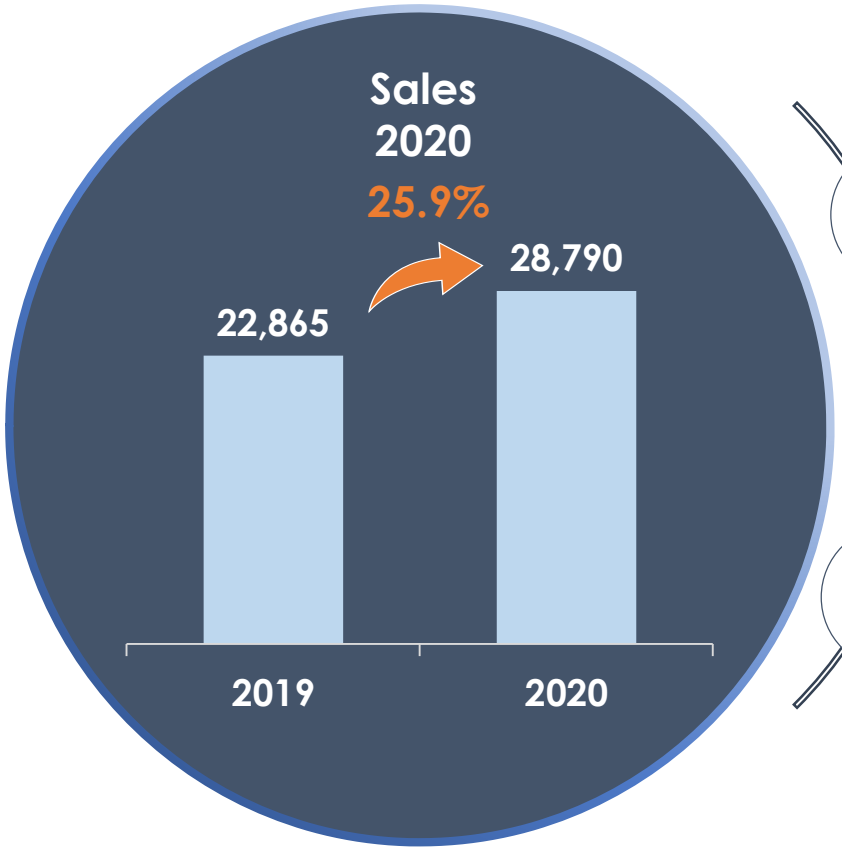
Contents

- Sales
- Online Business
- Expansion
- Market Share Evolution
- Financial Overview
- Strategy Update & Guidance
- Operations & Financials Details

MiGROS

Sales – 2020 (TL million)





- Strong sales growth performance especially in November & December in 4Q
- Increased home consumption due to lockdown in restaurants
- Accelerated sales performance in online & offline stores

** Restated figures. Excluding discontinuing North Macedonian operations*

MiGROS

Online Service Channels

Online Orders MİGROS sanalmarket: x2.7

Online Orders MİGROS hemen: x16.3

# of Customers: x2.6

# of Online Service Stores: x2.7

New Customers MİGROS sanalmarket: x3

MİGROS sanalmarket

81 cities

+30,000 SKU
529 online service stores

MİGROS hemen

23 cities

+2,000 SKU
107 online service stores
Delivery within 30 mins

macro online

7 cities

+13,000 SKU
51 online service stores

Taze Direkt .com

2 cities

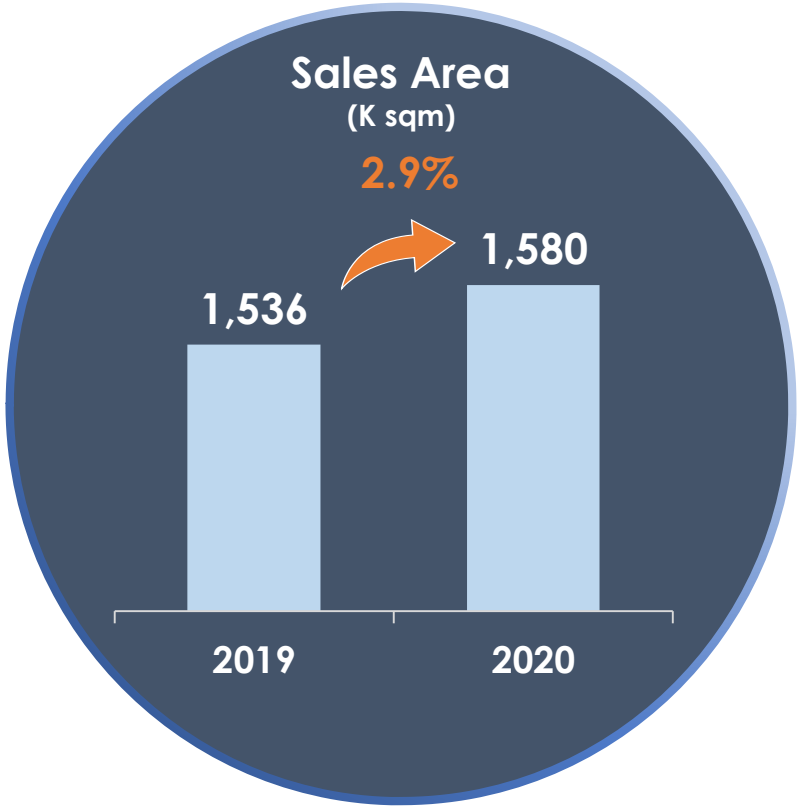
+2,150 SKU
Direct from farm to consumers

trendyol .com

81 cities

+2,300 SKU
Available for courier
FMCG Focus

Expansion



26 *new stores in 2M 2021*

132 *new online service stores in 2M 2021*

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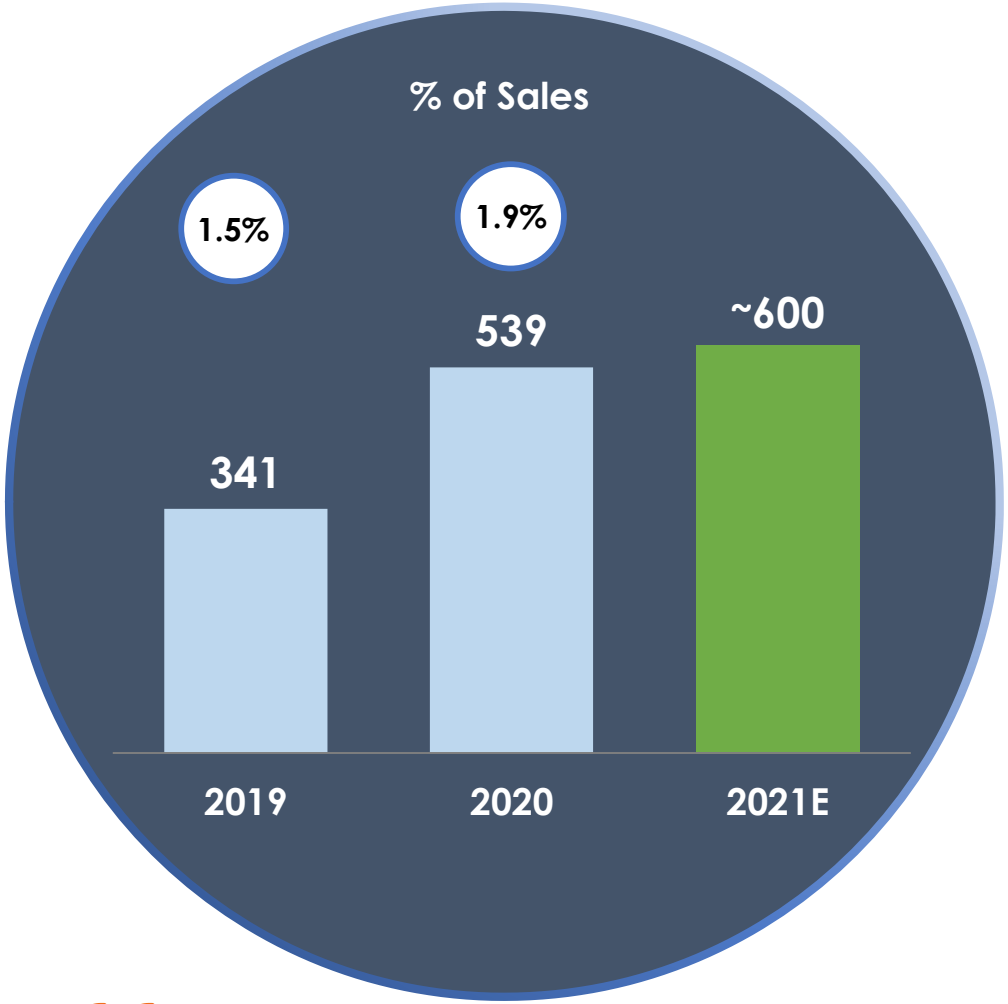
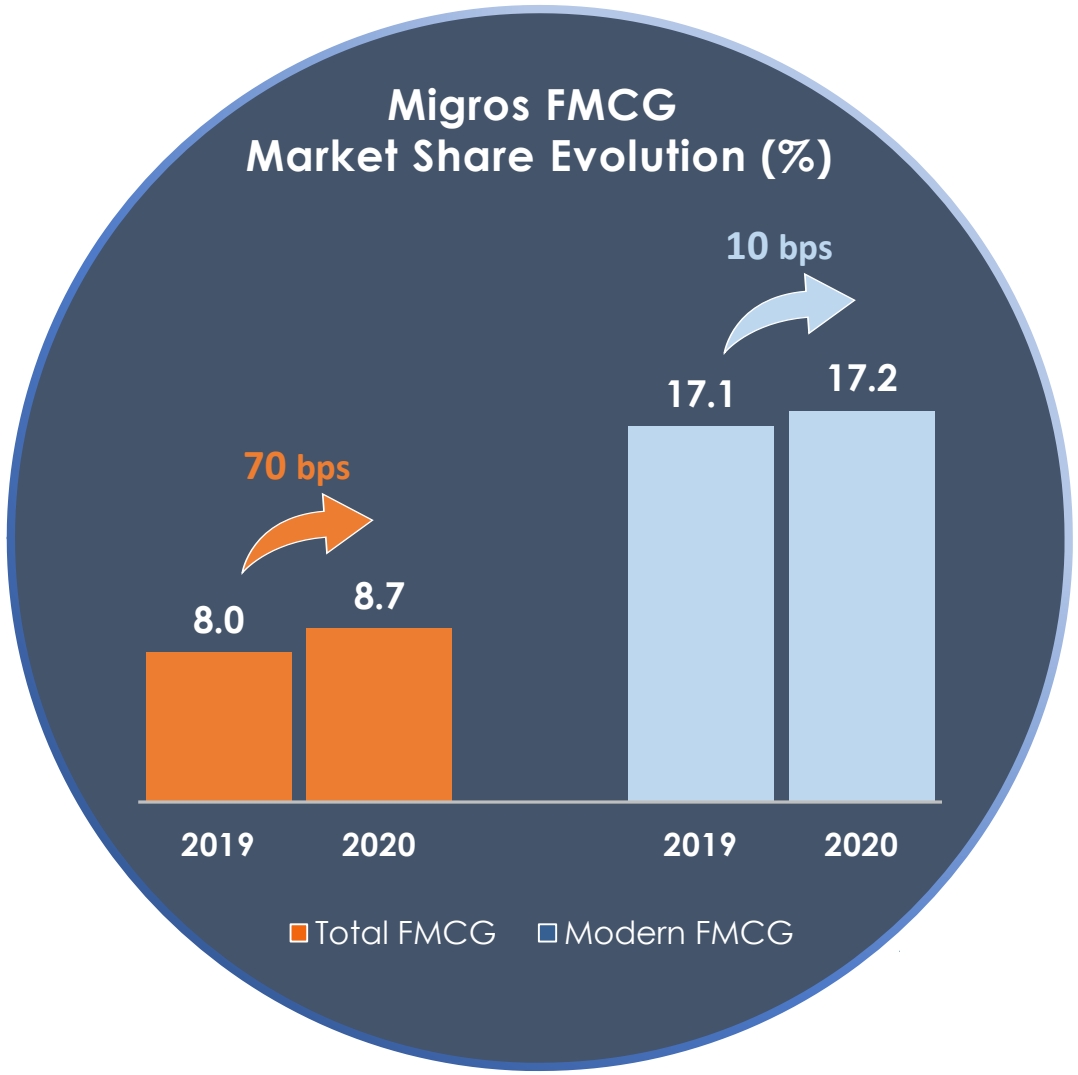
CAPEX (TL million)



Accelerated store expansion

Concentration on store automation & fulfillment center automation

Market Share Evolution

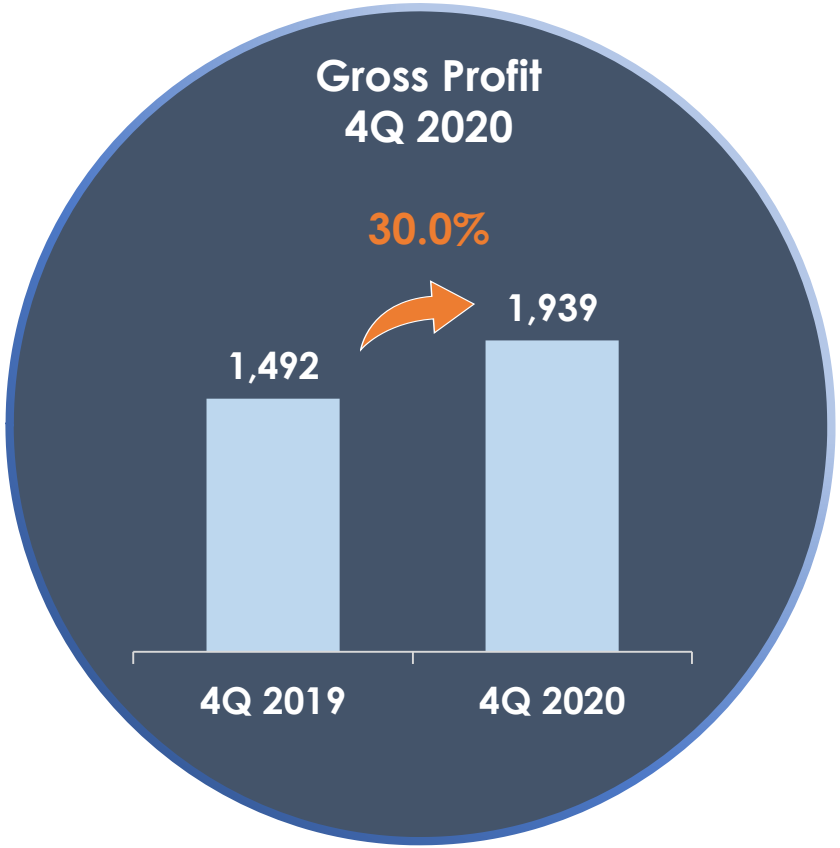


Source: Nielsen
Note: FMCG: Fast Moving Consumer Goods, Modern and total FMCG market include all food-retail formats

MiGROS

Financial Overview

Consolidated Gross Profit (TL million)



Margin	**25.2%**	**24.5%**

Due date charges impact:
- 28 bps

Margin	**26.8%**	**25.7%**

Due date charges impact:
- 125 bps

All numbers in graphs w/ IFRS 16 impact

** Restated figures. Excluding discontinuing North Macedonian operations*

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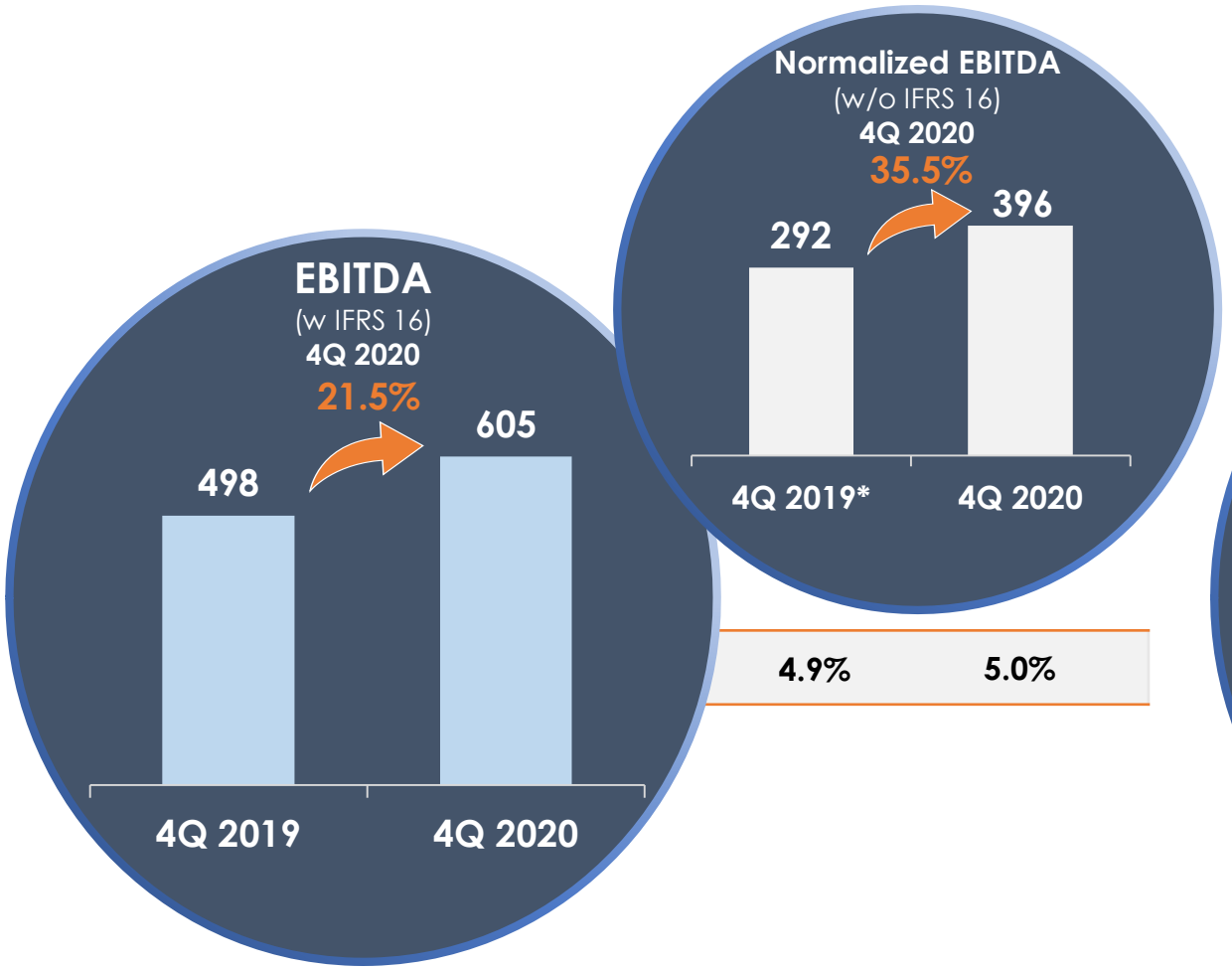
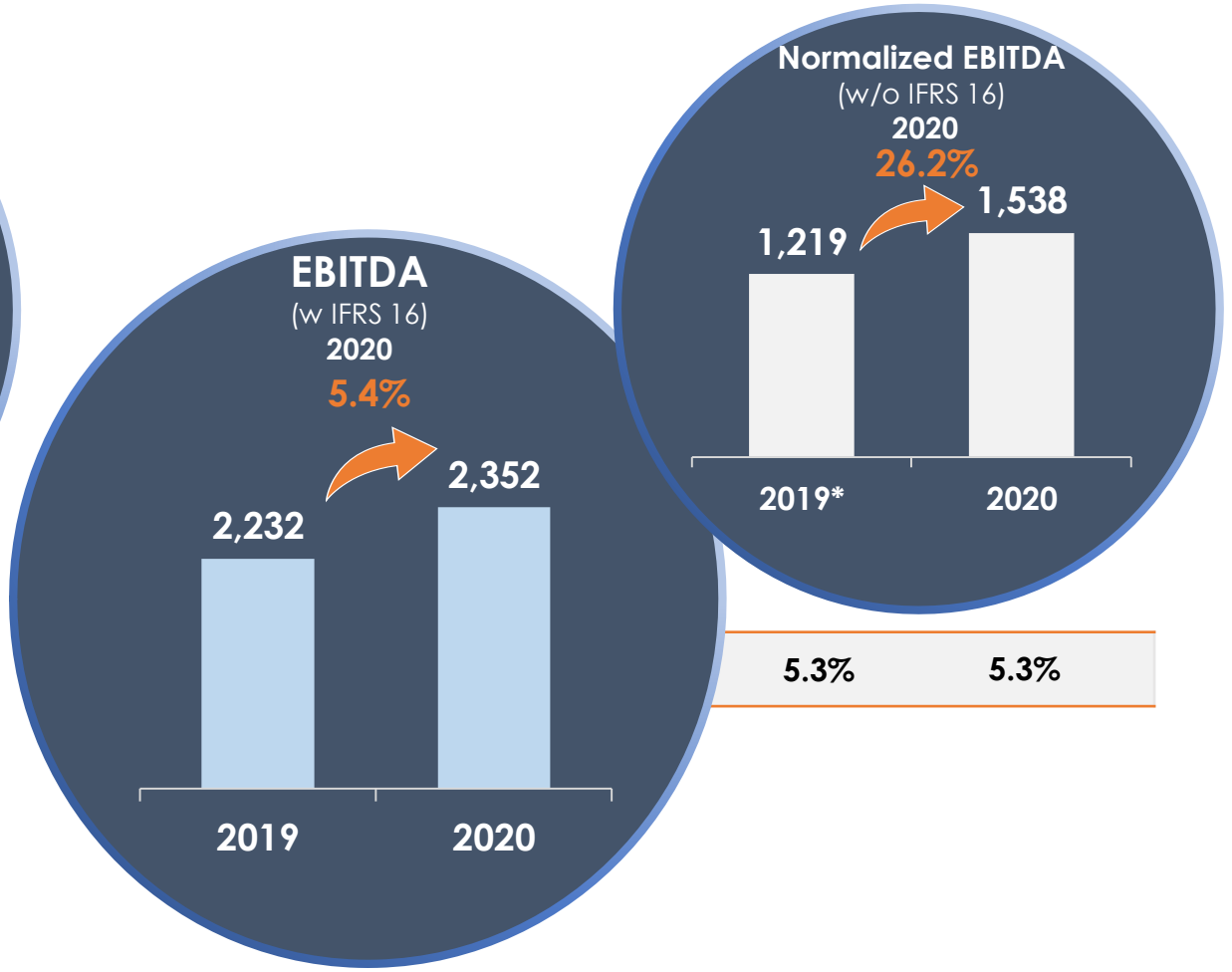
Consolidated EBITDA (TL million)



Margin	8.4%	7.6%
	4.9%	5.0%



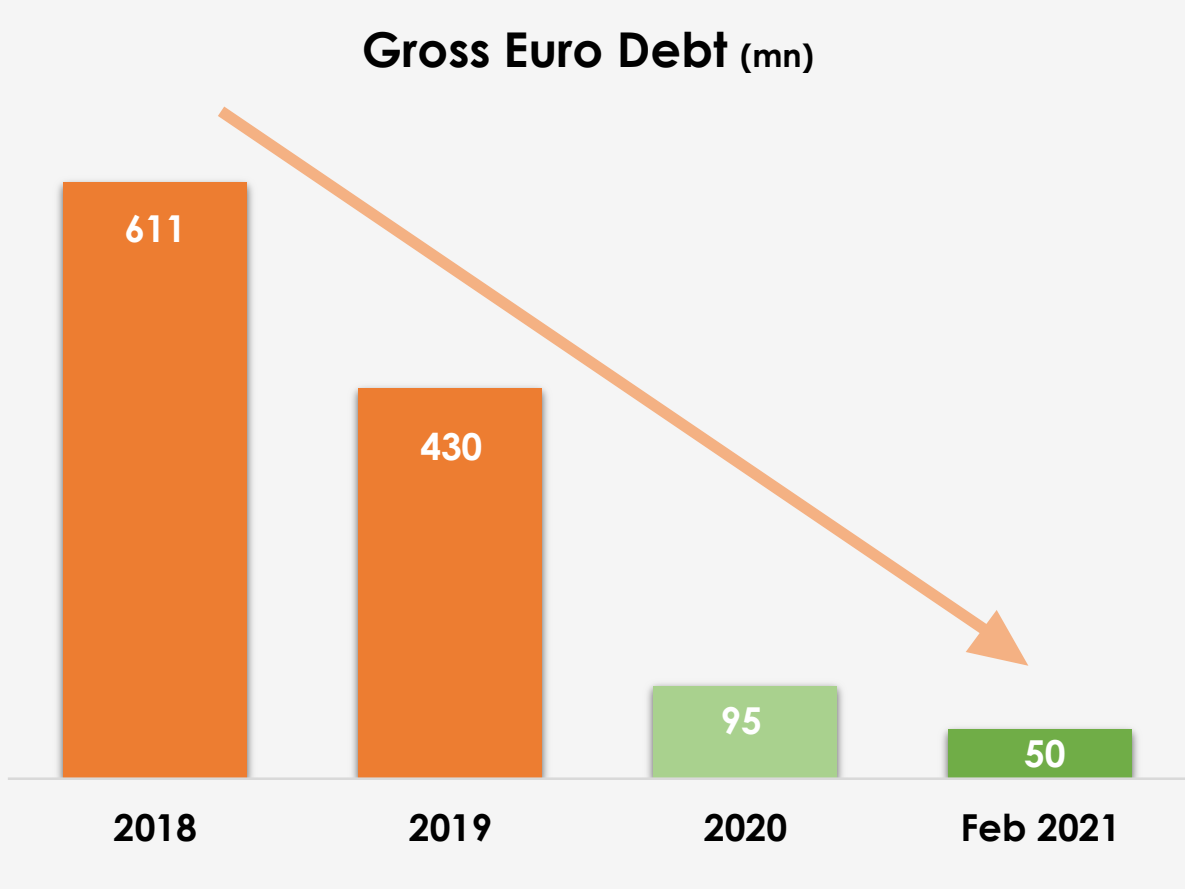
Margin	9.8%	8.2%
	5.3%	5.3%

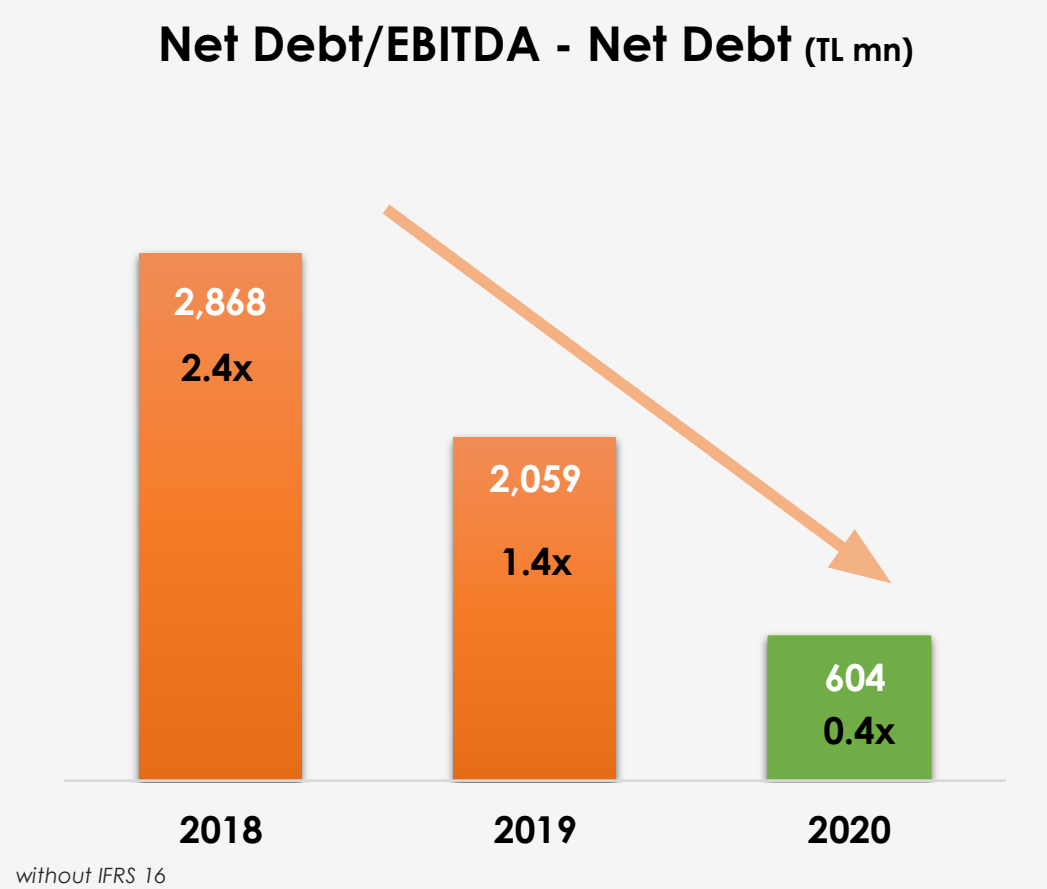
Normalized EBITDA with current (actual) imputed interest rates as per IFRS accounting to neutralize the impact of interest rates in due date charges

*** Restated figures. Excluding discontinuing North Macedonian operations*

MiGROS

De-risking Balance Sheet





Short FX position is **€ 15 mn** as of 2020, **nil** as of Feb 2021

Significant improvement in net debt position

** Restated figures. Excluding discontinuing North Macedonian operations*

MiGROS

Cash Position & Leverage

(Total TL mn)	Without IFRS 16		With IFRS 16	
	2019	2020	2019	2020
Cash & Cash Equivalents	2,348	3,237	2,348	3,237
TL	*1,653*	*2,503*	*1,653*	*2,503*
EUR	*105*	***81***	*105*	***81***
Financial Debt	4,407	3,840 ↓	6,842[1]	6,775[1] ↓
TL	*1,551*	*2,987*	*3,985*	*5,922*
EUR	*430*	***95***	*430*	***95***
Net Debt	2,059	604 ↓	4,494	3,538 ↓
EBITDA	1,504	1,538	2,232	2,352
Net Debt / EBITDA	**1.4x**	**0.4x** ↓	**2.0x**	**1.5x** ↓

[1] *Includes capitalized costs of lease contracts over their maturity*

* *Restated figures. Excluding discontinuing North Macedonian operations*

Performance Summary 2020

Performance Indicator	2019	Target	2020	Performance vs Guidance
Expansion Program (Number of NEW Stores)	137	160+	**183**	
Top-Line Sales Growth*	24.1%	22-23%	**25.9%**	
EBITDA Margin* (with IFRS 16 impact)	9.8%	~ 8%	**8.2%**	
CAPEX	TL 341 mn	~ TL 470 mn	**TL 539 mn**	

** Restated figures, excluding discontinuing North Macedonian operations for 2019 & 2020*

MiGROS

Strategy Update & Guidance

- Foreign Operations
- New Normal Initiatives

Divestiture of North Macedonia & Kazakhstan Operations

Ramstore

North Macedonia

- **Preliminary sales agreement**
- **28 Supermarkets**
- **1 shopping mall** in Skopje

Ramstore

Kazakhstan

- **Exited** retail business
- **Currently: 1 shopping mall** in Almaty

- **North Macedonia & Kazakhstan Operations: TL 503 million** sales & **TL 14 million** EBITDA in 2020

MiGROS

Adapting Product Portfolio

Ready Meal

Offline :		**95**
Online :	Sanalmarket	**62**
	Migros Hemen	**56**

Offline :		**720**
Online :	Sanalmarket (frozen)	**338**
	Migros Hemen	**55**

Food Atelier

Enriching Frozen Portfolio

MiGROS

Building New Ecosystem

Last-mile Delivery

Fintech Subsidiary

- ✓ e-wallet
- ✓ Money transfer & Bill-payment
- ✓ Product financing

7/24 Self-Service Concept

Piloting

Migros with Startups

- ✓ Collaboration opportunities
- ✓ Engaging with young talents
- ✓ Agile solutions for problem solving

2021 Guidance (Consolidated)

Sales Growth

15-18%

EBITDA Margin

8-8.5%

** with IFRS 16 impact*

Expansion Target

~170
new stores

CAPEX

~TL 600
mn

MiGROS

Appendix

- Operations
- Financials

Migros at a Glance

MİGROS

66th year

TL 28.8 billion sales in 2020 | **38,458** employees | **1,500+** suppliers | **49.18%** free float

The only food retailer listed in BIST Sustainability Index for **7 years in a row**

Included BIST Corporate Governance Index **since 2015**

Best retailer for **17 years in a row**

TÜRKİYE'NİN EN BEĞENİLEN ŞİRKETLERİ

2,319 stores in all 81 cities

8.4m loyal households **Money Card**
13.6m active cards

MİGROS sanalmarket | MİGROS hemen Hemen kapında. | macro online | Taze Direkt .com

Introduced **more than 100 innovations** in the retail market

Turkey's **biggest** integrated meat-processing plant
62,000 tons production capacity

MİGET

Sales Area Split – 2020

40 sqm - 3,500 sqm

Supermarkets

77%

2,148

M
MM
MMM
MiGROS jet

3,500 sqm – 8,500 sqm

Hypermarkets

17%

55

5M MiGROS

250 sqm – 2,000 sqm

Macrocenter

3%

64

macro center

200 sqm – 1,600 sqm

Wholesale

1%

22

MiGROS TOPTAN

200 sqm – 3,500 sqm

Ramstore

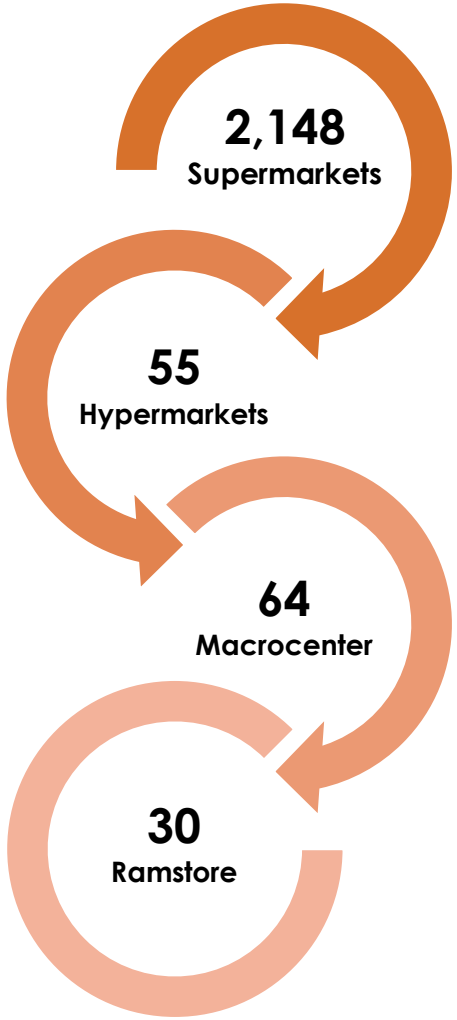
2%

30

Ramstore

MiGROS

Store Portfolio



	31 December 2019		31 December 2020	
	# of stores	Sales area (th sqm)	# of stores	Sales area (th sqm)
Migros (M, MM,MMM)	1,194	998.1	1,283	1,050.3
Migros Jet	824	166.5	865	179.5
5M	56	274.0	55	266.9
Wholesale	21	12.0	22	13.0
Macrocenter	58	40.4	64	44.1
Domestic Total	**2,153**	**1,491.0**	**2,289**	**1,553.8**
Ramstores	45	44.5	30	26.6
Grand Total	**2,198**	**1,535.5**	**2,319**	**1,580.3**

MiGROS

IFRS Consolidated Income Statement Summary – 2020

(TL million)	2019	2020
Net Sales	**22,865**	**28,790**
Cost of sales	-16,746	-21,391
Gross Profit	**6,119**	**7,399**
Operating Expenses	-4,771	-6,018
Other Operating Income / (Expense)	-517	-347
Operating Profit	**831**	**1,034**
Income / (Expense) from Investment activities	-30	29
Operating Income Before Finance Income / (Expense)	**801**	**1,063**
Financial Income / (Expense)	-1,243	-1,283
Income/Loss Before Tax From Continuing Operations	**-441**	**-221**
Tax Income / (Expenses)	0	-192
Deferred Tax Income / (Expenses)	-30	9
Net Profit / Loss from Continuing Operations	**-472**	**-404**
Net Profit / Loss Discontinuing Operations	**11**	**1**
Net Profit / Loss	**-461**	**-403**
Net Profit / Loss - Non-controlling interest	0	0
Net Profit / Loss - Equity holders of parent	-461	-403
EBITDA (w/ IFRS 16 impact)	**2,232**	**2,352**
EBITDA (w/o IFRS 16 impact)	**1,504**	**1,538**
EBITDAR	**2,573**	**2,825**

** Restated figures. Excluding discontinuing North Macedonian operations*

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IFRS Consolidated Income Statement Summary – 4Q 2020

(TL million)	4Q 2019	4Q 2020
Net Sales	**5,912**	**7,927**
Cost of sales	-4,420	-5,988
Gross Profit	**1,492**	**1,939**
Operating Expenses	-1,233	-1,581
Other Operating Income / (Expense)	-158	-133
Operating Profit	**101**	**225**
Income / (Expense) from Investment activities	-45	-14
Operating Income Before Finance Income / (Expense)	**56**	**210**
Financial Income / (Expense)	-390	-237
Income/Loss Before Tax From Continuing Operations	**-334**	**-27**
Tax Income / (Expenses)	6	-62
Deferred Tax Income / (Expenses)	5	-36
Net Profit / Loss from Continuing Operations	**-324**	**-125**
Net Profit / Loss Discontinuing Operations	**5**	**0**
Net Profit / Loss	**-319**	**-125**
Net Profit / Loss - Non-controlling interest	0	0
Net Profit / Loss - Equity holders of parent	-319	-125
EBITDA (w/ IFRS 16 impact)	**498**	**605**
EBITDA (w/o IFRS 16 impact)	**309**	**396**
EBITDAR	**589**	**753**

** Restated figures. Excluding discontinuing North Macedonian operations*

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IFRS Consolidated Balance Sheet Summary – 2020

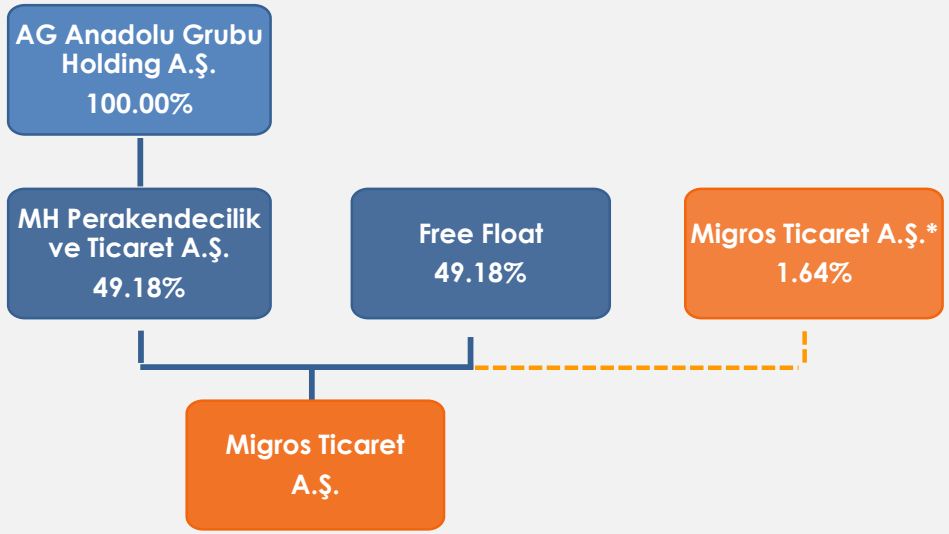
(TL million)	2019	2020
Current Assets	5,274	7,331
Non-current Assets	8,543	8,047
Total Assets	**13,817**	**15,378**
Current Liabilities	7,788	10,403
Non-current Liabilities	5,675	4,942
Total Liabilities	**13,463**	**15,345**
Equity	**354**	**33**
Total Liabilities and Equity	**13,817**	**15,378**

** Restated figures. Excluding discontinuing North Macedonian operations*

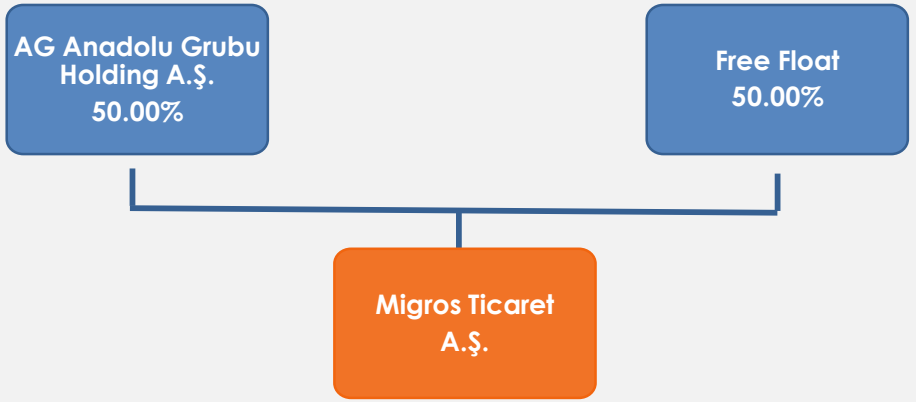
Ownership Structure

As of February 2021

Direct Shareholding Structure



Indirect Shareholding Structure



(*): Migros purchased its own shares due to the merger in 2018 in accordance with relevant CMB legislation

BC Partners sold its remaining 11.77% stake in Migros in January 2021

MİGROS

Sustainability

Migros Better Future Plan

- Combating climate change
- Consistent and rapid flow of product data
- Innovative implementations
- Compliance with human rights and equal opportunities
- Environmental impact assessments before new operations
- Improving life cycle of products

- Waste management and circular economy
- Preventative solutions for pollution
- Efficient use of resources
- Value added activities to raise awareness
- Conservation of biodiversity
- Creating shared value with stakeholders

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Sustainability*

Carbon Footprint

2019: 26.6%** ↓
(completed 2023 target)
by 2024: 7% ↓

CDP
DISCLOSURE INSIGHT ACTION

3 times among **Climate Leaders**
in 2020 among **Water Leaders**

Food Waste

2019: 17% ↓
by 2030: 50% ↓

Energy Consumption

2019: 16.3% ↓
by 2024: 18.5% ↓

Gender Equality

Current: 28%	Current: 18%
by 2024: 30%	by 2023: 23%
(management)	(senior management)

** 2019 data. 2020 data will be publicly available in June 2021.*
***2019 data has been independently verified on the basis of ISO 14064-3 standard.*

MiGROS

Initiatives on Sustainability

Healthier Lives

WellBeing Journey: Leading Programme in the global retail sector

Total access: **2.3 million**

Target: **x2** more people interaction

Food Waste

The only retailer in Turkey '**10x20x30' initiative**

Involved **23+ suppliers**

by 2030: 50% ↓

10X20X30

Product Data

Leading the industry in Turkey for transformation

In the barcode system: **2,400 products**

by 2021: all products

Gender Equality

'CEO Pledge'

Current: 18% (senior mgmt)

by 2023: 23% (senior mgmt)

LEAD NETWORK

Sustainable Agriculture & Biodiversity

Regenerative Agriculture: **Good Agricultural Practices**

Product Portfolio: Tastes of Anatolia & Local Seeds Heritage

'Agriculture is our future' documentary

op2b one planet business for biodiversity

Waste Management & Biodiversity Conservation

Combating Food Waste

Day-end clearance on perishables:
4,474 tons of food

Food Donation:
2.5 million meals

Fresh Leftovers Donation:
1,120 tons of food

Combating Plastic Waste

Plastic bags: **66%** ↓

373 tons less plastic on PL products ↓

Good Agricultural Practices

GAP certified F&V: **963,413 tons**

100% GAP certified poultry products
317 checkpoints

MiGROS

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