

2018

Annual Report



BİZİM TOPTAN AT A GLANCE

Turkey's innovator and number one Cash & Carry company in terms of the number of stores and geographical coverage

Nearly 1,459,000 ⁽¹⁾ active customers

3.000 different products per store

An approximate store size of 1,650 m²⁽²⁾

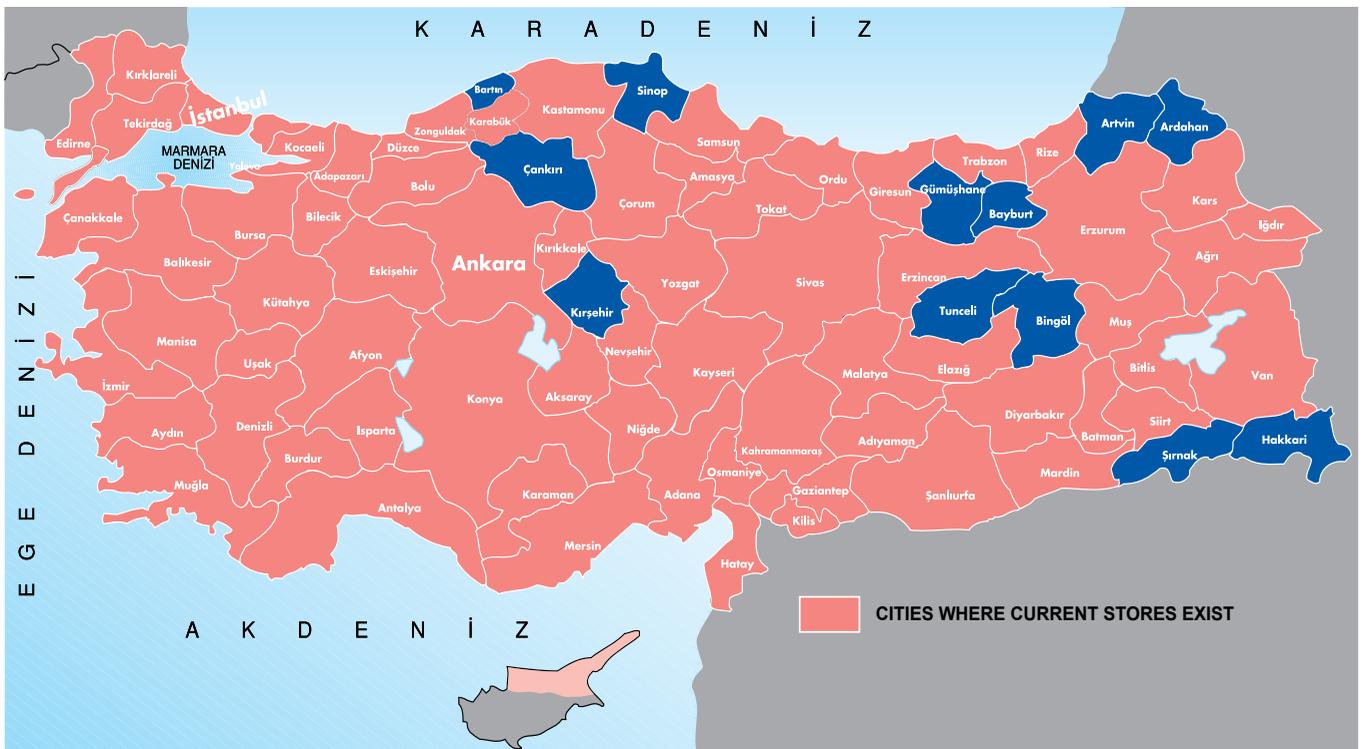
3.7 billion Turkish lira sales revenue in 2018

(1) Data is valid as of December 31, 2018.
(2) Describes average indoor store area.

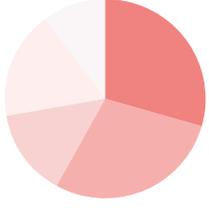
OPERATIONAL INDICATORS

By increasing countrywide store network and accessibility, Bizim Toptan maintains a strong position in the industry through its operational data.

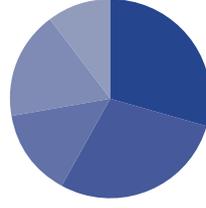
BİZİM TOPTAN STORES



* Sales Breakdown In Main Categories



December 31, 2017	
Tobacco Products	30%
Food	35%
Cleaning	10%
Non-alcoholic Beverages	15%
Other	10%



December 31, 2018	
Tobacco Products	27%
Food	35%
Cleaning	11%
Non-alcoholic Beverages	16%
Other	10%

* "İlgili tablo, kategorilerin net satışlar içerisindeki yüzdelerini ifade etmektedir"

Total Net Sales Area (m²)

2018 **174.274**

2017 **177.420**

Total Indoor Area (m²)

2018 **283.263**

2017 **290.653**

SALES PER SQUARE METER (TL)

Main Categories

2018 **15.663**

2017 **11.486**

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Financial Indicators



Bizim Toptan started a new era in 2018 with the help of its customer based sales strategy, modern execution techniques and advanced CRM applications.

Total Assets (TL)

2018 **842.182.879**

2017 **709.304.772**

Net Sales (TL)

2018 **3.725.343.576**

2017 **2.896.367.998**

2018 **30.353.954**

2017 **(31.459.544)**

Net Profit for the Period (TL)

2018 **21.637.496**

2017 **(30.358.339)**

Consolidated Balance Sheet (TL)	31.12.2018	31.12.2017
Current Assets	663.654.681	529.099.633
Non-Current Assets	178.528.198	180.205.139
Total Assets	842.182.879	709.304.772
Current Liabilities	690.151.060	574.875.510
Non-Current Liabilities	28.181.818	28.643.604
Equity	123.850.001	105.785.658
Total Assets	842.182.879	709.304.772

Consolidated Income Statement (TL)	31.12.2018	31.12.2017
Net Sales	3.725.343.576	2.896.367.998
Gross Profit	409.387.066	244.527.895
Operating Profit	30.353.954	(31.459.544)
Net Profit for the Period	21.637.496	(30.358.339)

Financial Ratios	31.12.2018	31.12.2017
Current Ratio	0,96	0,92
Current Liabilities/Total Assets	0,82	0,81
Equity/Total Assets	0,15	0,15
Gross Profit Margin (%)	11,0	8,4
EBITDA Profit Margin (%)	4,0	1,4
Net Profit Margin (%)	0,6	-1,0
Net Profit Per Share (TL)	0,361	-0,514

Bizim Toptan at a Glance



With 174 stores in 69 cities, advanced CRM applications and alternative sales channel; Bizim Toptan is Turkey's most innovator, largest and most widespread Cash & Carry operator in terms of store number and customer accessibility.

Bizim Toptan specializes in the wholesale of main product categories such as food, non-alcoholic beverages, tobacco products, household cleaning supplies, personal hygiene and paper products. Products are from well-known brands belonging to both domestic and international companies operating in Turkey.

Incorporated in 2001, Bizim Toptan began operations in 2002 and now operates 174 stores in 69 of Turkey's 81 provinces. It is Turkey's largest Cash & Carry operator ("Organized Wholesale Trade") in terms of store count and the most widespread in terms of accessibility.

The company opens its first 14 stores in 2002. By the end of 2018, Bizim Toptan operates 174 stores throughout Turkey.

The company specializes in the wholesale of main product categories such as food, non-alcoholic beverages, tobacco products, household cleaning supplies, personal hygiene and paper products. Products are from well-known brands belonging to both domestic and international companies operating in Turkey.

Bizim Toptan serves a customer base of wholesalers, merchants, grocers, markets, supermarkets, specialized retailers, hotels, restaurants, and cafes. The company sells only to commercial taxpayers who hold membership cards and individual customers .

By acquiring franchise operations and becoming a major supplier of the acquired member stores in July 2014, Bizim Toptan has become the industry leader and the only wholesale company that operates a franchise system.

Bizim Toptan meets the needs of the Cash & Carry market with approximately 5,000 product types available across the country and an average 3.000 stock items per

store. The company's product portfolio can be grouped as branded products and private label products. Of the products on offer, 95 percent are branded and 5 percent are private label products.

Bizim Toptan enjoys a strong shareholder structure with the contributions of Yıldız Holding A.Ş. The company began trading on Borsa Istanbul following its IPO in 2011. Bizim Toptan has enjoyed impressive growth in recent years through a cash-generating growth strategy and ever-increasing nationwide penetration. In 2018 the Company focused on increasing customer number and customer diversity, increased sales per store, developed alternative sales channel PROSAF and digital sales platform.

Bizim Toptan distributed a gross cash dividend of 14.15 million Turkish lira from 2011 profits, 12.48 million Turkish lira from 2012 profits, 12.69 million Turkish lira from 2013 profits, 2.07 million Turkish lira from 2014 profits, and 3.95 million Turkish lira from 2015 profits, fulfilling its shareholder obligations.

Within the scope of Company's growth plans, Bizim Toptan didn't distribute dividend from 2016 profits. However, in 2017 Bizim Toptan's Board of Directors decided to do capital increase through bonus issues by 50% and increased the paid in capital by 20 million Turkish Lira. By 04.10.2017, capital increase through bonus issues by 50% was finalized and new shares were transferred into the shareholder's accounts.

Bizim Toptan has a dividend distribution policy to pay out 50% of net payable income in cash, which will be determined by the Board of Directors according to T.C. Prime Ministry Capital Markets Board notifications and regulations and presented to the General Assembly for approval, in the scope of Company's long-term development strategies, and also taking into consideration investment, financing plans, and profitability situations.

Shareholder Structure



The largest cash&carry company in Turkey in terms of number of stores and geographic reach, Bizim Toptan went public in 2011 with a powerful shareholding structure.

Bizim Toptan's shares are traded on Borsa Istanbul since February 3, 2011. Bizim Toptan's shareholder structure as of year-end 2018 was as follows:

Shareholder's Title	Share Amount as of December 31, 2018	%	Share Amount as of December 31, 2017	%
Yıldız Holding A.Ş.	33.111.291	55,19	33.111.291	55,19
Publicly Listed (other*)	21.271.790	35,45	21.271.790	35,45
Emap Limited	5.616.920	9,36	5.616.920	9,36
Total Capital	60.000.000	100%	60.000.000	100%

(*)According to Central Registry Agency (CRA) data, dated December 31, 2018.



Vision

To be Turkey's number one wholesaler in the fast-moving consumer goods industry through its idespread, modern and trustworthy concept.



Mission

To be a strategic business partner that provides competitive advantage to its customers and suppliers by reducing costs and risks.

Organized Wholesale Trade

and Bizim Toptan

Bizim Toptan remains the top choice for all customer segments with 174 stores in 69 provinces by offering distinct advantages and always being accessible.

Considering the growth dynamics of supply and demand, the Company met suppliers' demands to expand the store network and customer base effectively by transforming the wholesale concept. It also analyzes market dynamics to position its stores to enable them to fit in a multi-channel sales strategy to achieve sustainable growth, develops alternative distribution channels and continues to enrich its operations through a franchising model.

While the year 2018 saw continued positive economic performance in Turkey, the effects of global developments were felt especially in financial markets. The ongoing interest rate hikes in the United States and other global developments caused the Turkish lira to depreciate several times within the year. The depreciation of the Turkish lira caused domestic production costs to increase and prices to rise in general. While the producer price index (PPI) was up by 33.64 percent, the consumer price index (CPI) grew by 20.30 percent in 2018.

The consumer confidence index was below last year's level of 65.1 at year-end, due to fluctuations in exchange rates and inflation indicators, falling to 58.2.

Nevertheless, thanks to the high rate of economic growth in 2018, the young population and increasing urbanization, Turkey maintained continuous growth potential in the fast-moving consumer goods (FMCG) wholesale industry. Although it is not possible to precisely measure the Turkish FMCG wholesale industry, it is estimated that 94 percent of the industry is made up of traditional wholesalers and distributors. About 7,000(1) wholesalers and distributors operate in Turkey.

While three cash & carry companies including Bizim Toptan operate on a national scale, single-store local cash & carry companies are also considered part of the cash & carry industry and they are growing in number.

Despite the unorganized structure and competitive market, Bizim Toptan has been rapidly increasing its store count

since 2007 and remains the most widespread cash & carry wholesaler in Turkey. Considering the growth dynamics of supply and demand, the Company met suppliers' demands to expand the store network and customer base effectively by transforming the wholesale concept. Furthermore, it analyzes market dynamics to position its stores to enable them to fit in a multi-channel sales strategy to achieve sustainable growth, and enriches its operations through a franchising model.

Bizim Toptan has continued its recent initiative of investing in projects that are designed to meet the needs of HORECA (hotels, restaurants, and cafes), corporate customers, and other potential customer segments. The Company constantly expands its sales network and customer base, and devotes sustained effort to attract new customers, retain the existing ones, and develop customer segments. The Company reviewed its strategy on this matter and made revisions regarding applications in 2017. In 2018, it reaped the benefits of the steps taken in the previous year. Bizim Toptan sets itself apart from the competition through price advantage, superior accessibility, and other conveniences. Bizim Toptan also adds value to the wholesale industry with innovative approaches. Smaller local stores offer customers the advantage of meeting all their needs in one single convenient location. The company bases its operations on the principles of flexibility and scalability, while working as a pioneer of sector innovations and best practices. By augmenting the wholesale grocery business model with a supply chain, the company pioneered a franchising system—a first in Turkish B2B sales.

Moreover, by implementing PROSAF (Professional Sales Force) in 2018, the Company started providing services to specific customer channels. The Company also kept pace with the digitalization process in the industry by improving the digital sales platform during the year.

(1)An Estimates of Frost and Sullivan, and the company



The distribution of Bizim Toptan's annual sales between 2011 and 2018 are presented in the following table:

(thousand TL)	2011	2012	2013	2014	2015	2016	2017	2018
Main Categories ⁽²⁾	1.271.770	1.469.930	1.697.308	1.742.849	1.877.791	2.017.353	2.037.870	2.729.711
Other Categories	461.202	503.924	549.534	536.548	685.985	775.806	858.498	995.633
Total	1.732.972	1.973.854	2.246.842	2.279.397	2.563.777	2.793.160	2.896.368	3.725.344

Bizim Toptan's annual EBITDA performance indicators between 2011 and 2018 are as follows:

(million TL)	2011	2012	2013	2014	2015	2016	2017	2018
EBITDA ⁽¹⁾	62,7	69,2	69,1	61,4	71,0	67,6	41,6	148,1
EBITDA Margin	3,6%	3,5%	3,1%	2,7%	2,8%	2,4%	1,4%	4,0%

EBITDA (million TL)⁽¹⁾

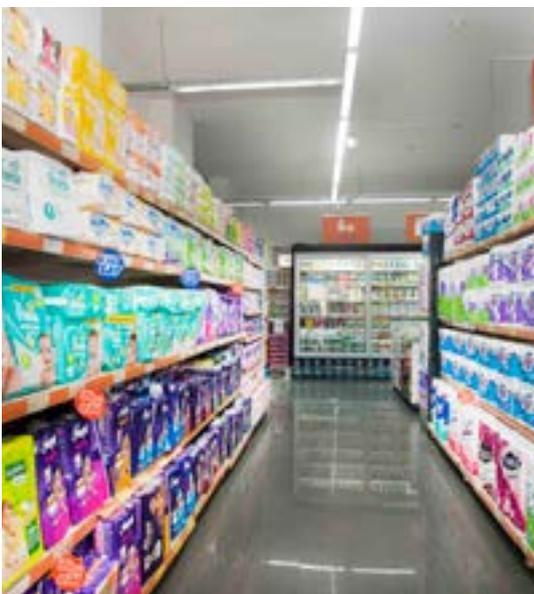
2018	148,1
2017	41,6
2016	67,6
2015	71,0
2014	61,4
2013	69,1
2012	69,2
2011	62,7

EBITDA Margin (%)⁽¹⁾

2018	4,0
2017	1,4
2016	2,4
2015	2,8
2014	2,7
2013	3,1
2012	3,5
2011	3,6

⁽¹⁾ EBITDA is calculated by adding depreciation and amortization expenses to Operating Profit. (Other operating income and expenses are excluded.)

⁽²⁾ Unless stated otherwise, main category sales excludes tobacco products.





A First in B2B: Who would not want to be partners with us! A Win-Win Franchising Model: SEÇ

Having taken strategic steps to improve and enhance its business model in 2014, Bizim Toptan bought all the franchising contracts and the rights associated with these contracts, including fixed assets, of 196 stores operating as a partner of Şok Marketler A.Ş. to achieve its channel-oriented growth strategy on July 16, 2014.

The franchising system is based on a principle where Bizim Toptan provides the supermarkets in the system with goods and services at advantageous prices thanks to its broad range of products and purchasing power. The aim of this model, a first in Turkey, is to combine the purchasing power of Bizim Toptan with the franchisees' power in the field. The model aims to gather franchisees under the same roof while preserving their entrepreneurial spirit. By doing so, Bizim Toptan aims both to become the main supplier of all business partners in the franchising system and to boost their competitiveness by offering great benefits.

Bizim Toptan's strategy in this regard is to grow collectively with its franchisees with a win-win principle and a smooth B2B concept.

Bizim Toptan's franchising system is initially focused on the western part of Turkey and the supermarkets ranging in size between 150 and 400 square meters. In 2017, the Company added new provinces from the south and north of Turkey. In 2018, new stores were added in existing regions, and with stores opening in eastern regions, geographical coverage has been increased to 539 stores in 61 provinces.

Bizim Toptan offers its franchisees a brand name, "SEÇ Market," all the legal rights of which are fully owned by the Company.

Along with:

- Logistics, promotion and publicity support for the dealers,
- Discounted prices and additional bonuses on a wide range of branded and private label products,
- Easy and fast ordering,
- the Company supports the growth of its franchisees through marketing and operational data sharing.

As of year-end 2018, the SEÇ franchising system added 278 million Turkish lira to Bizim Toptan's sales revenues with its 539 stores.



Alternative Sales Channels



PROSAF (Professional Sales Force) The New Force behind the Sales



PROSAF is Bizim Toptan's professional solution partner. It aims to reach traditional and out-of-home consumption points.

PROSAF provides the supply and distribution of all products needed at gas station markets, corporate customers, hotels, restaurants, fast-food outlets, cafes, cake shops, catering companies, institutional kitchens, touristic establishments, industrial institutions, hospital canteens, school canteens and canteens at public corporations and institutions in various industries, with short-term and long-term agreements, and offers special services and benefits.

Here are the services provided by PROSAF:

- All our customers need from a single supplier,
- Coordination and display support,
- Easy return and exchange processes,
- Flexible payment options,
- On-site delivery,
- Online orders.

The PROSAF team is progressing towards being the top solution partner for their customers thanks to their special supply planning system, well-trained personnel and a broad logistics service. They made a lot of progress in 2018 and are now active in 52 Bizim Toptan stores in 41 provinces.

PROSAF road map:

1. To develop a complete product portfolio for each customer segment and supply all the products they need.
2. PROSAF Marine Services: To deliver necessary items to the customers' boats via special teams, refrigerated vehicles and electrically powered vehicles, in regions where seasonal sea tourism is concentrated. (The Göcek Marina store was opened in 2018 for Marine Services.)
3. Corporate and Chain Customers: To meet all office food and refreshment needs of medium- and large-scale customers, with a wide product portfolio consisting of branded and private-brand products, at competitive prices through a widespread network.
4. A New Product Portfolio for PROSAF: To enrich the portfolio with new products by taking strategic steps in product categories and meeting customer demands. (Well-known foreign brands and fresh fish)

Digital Sales Platform Digital Commerce Market

Customer shopping habits are shaped increasingly by digital commerce, an area with massive growth potential. As an industry leader with many successful applications, Bizim Toptan has launched the Bizim Toptan Digital Sales Platform project. Following technical and customer-side upgrades, the Corporate and Digital Sales Platform at www.bizimtoptan.com.tr, for which trial runs were carried out in 2017, has become available to all customers since March 2018.

With its new structure, the Digital Sales Platform has become much faster and more user-friendly. Customers can easily make orders online or on mobile applications.

The Company aims to enhance the number and variety of products for sale on the website, which currently offers nearly 2,500 different products. Other than the broad product range and advantageous prices on offer, customers can benefit from the installment payment options available for commercial credit cards for their online shopping.

Aiming to deliver orders to its online shoppers in the fastest and most convenient way, Bizim Toptan offers delivery via a courier or logistics service depending on the goods and size.

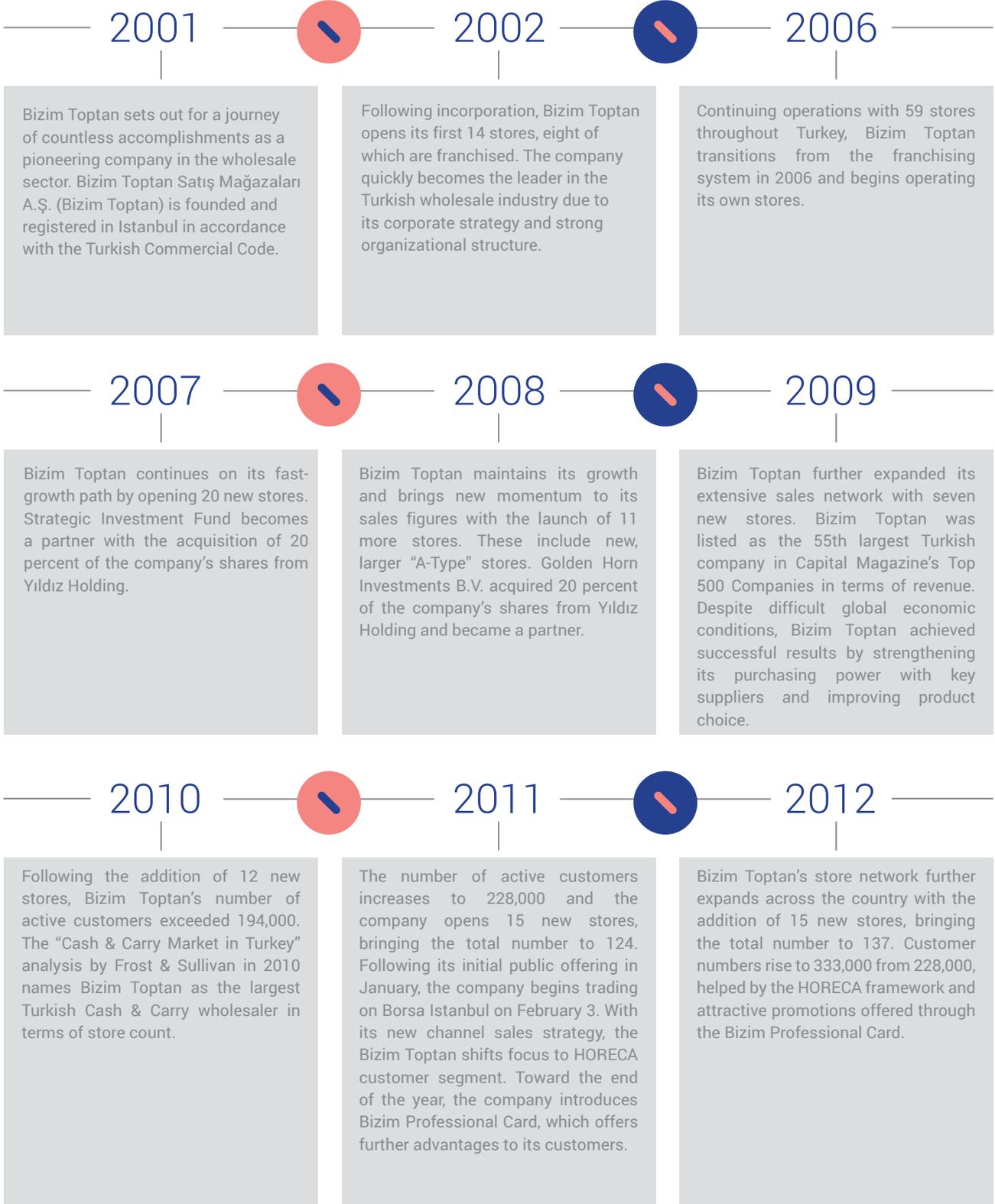
In today's world of increasing digitalization and digital commerce, Bizim Toptan follows technology very closely, and intends to become one of the leading players in the retail industry by offering competitive applications.



Milestones



Bizim Toptan commences operations with 14 stores and rapidly becomes an industry leader through its number of stores and nationwide coverage.



2013 ———— ● ———— 2014 ———— ● ———— 2015

Bizim Toptan continues its strategy of relentless growth, providing services in 152 stores in all corners of the country. Operations in 64 provinces throughout Turkey offers price advantages and superior ease-of-payment terms. The company achieves an increase in the number of its active customers to 445,000 from 333,000.

With 153 stores in 65 provinces, Bizim Toptan expanded its customer base to 650,000 from 445,000. By acquiring the franchise operations of 196 stores in July, the company became the only Cash & Carry wholesaler to operate a franchise system - a first in Turkish B2B market.

Bizim Toptan, focusing on sustainable and profitable growth with a channel-oriented sales strategy, increases the number of its stores in 67 provinces to 156 with the addition of three new stores. The number of the company's active customers rose to 764,000 from 650,000. The number of business partners in the franchising system, which is a first in Turkish B2B area, reaches 262 by the end of the year.

2016 ———— ● ———— 2017 ———— ● ———— 2018

Bizim Toptan continued to focus on its channel-based sales strategy in 2017 and increased its nationwide coverage from 156 stores to 162 in 68 cities of Turkey. Within the year, the Company launched new brand of its franchising system, "Seç Market" and increased the number of franchisees to 332 as of the year. Simultaneously the Company more focused on its PL&exclusive product segment by increasing the number of products more than 200 and reaching 12.8% of its main category sales vs 8% of 2015.

Bizim Toptan named 2017 as a period of "investing in the future" by rehabilitating and reviewing the sales strategy for reaching more profitable channels. The Company increased number of stores from 162 to 176. As a part of the execution of sales strategy, Bizim Toptan opened 7 exclusive stores for its big wholesaler customers whose basket size is the largest among customer groups. Thanks to this new strategy, existing stores performances were improved. Company continued to reach its customers by its qualified and well-priced products, and increased the sales of PL&exclusive product segment 15% of its main category sales. Bizim Toptan increased the number of its franchisees to 381 and increased the procurement ratio of the franchisees with the help of its well-priced range product portfolio.

During 2018, Bizim Toptan reaped the benefits of previous year's actions and with the support of its advanced CRM applications, increased its active customer number by 37.2% by serving around 1.5 million customer. Bizim Toptan focused on increasing sales per store and established alternative sales channel Prosaf for servicing its customers. Company opened its first store in a shopping mall (Pendik Marina Store) and also opened Göcek Marina Store for serving marina customers. Bizim Toptan increased the number of franchise stores among its SEÇ Market Franchising System from 381 to 539 rapidly Bizim Toptan will continue to be the best option for all customers groups with its quality branded and private label products, advantageous prices and easy payment terms. Company also aimed to keep its strong position in the market by developing digitalization and alternative sales channels.



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT



BoD

Full Name	Duty	Date of Appointment	Term of Office
Cengiz Solakođlu	Chairman/Independent Board Member	24.04.2017	3 years
Mustafa Yařar Serdengeçti	Vice Chairman of the Board of Directors	24.04.2017	3 years
Murat Ülker	Board Member	24.04.2017	3 years
Ali Ülker	Board Member	24.04.2017	3 years
Mahmut Levent Ünlü ¹	Board Member	24.04.2017	3 years
Erman Kalkandelen	Board Member	24.04.2017	3 years
Fatma Füsün Akkal Bozok	Independent Board Member	24.04.2017	3 years
Bendevi Palandöken	Independent Board Member	24.04.2017	3 years

¹ Mahmut Levent Ünlü, represents EMAP Ltd.

Executive Management

Full Name	Duty	Tenure in the Company	Prof. Experience
Hüseyin Balcı	CEO	2 years	21 years
Recep Çalıřkan	Deputy General Manager Responsible For Trade	14 years	25 years
Özden Erol Dünder	CFO	2 years	22 years
Tarık Duvan	Sales and Operation Director	2 years	18 years
Veysel Hasanhocaođlu	OperationDedicated Channels Sales Director	1 year	19 years

Message From The Ceo



Esteemed Stakeholders,

We would like to begin our evaluation of 2018 by saying that we are immensely proud and happy to see the positive results of the actions we took in the previous year, and fulfill the promises we made to you.

In 2018, we worked together with the entire workforce of Bizim Toptan with the strong desire to make the Company more modern, more digital, healthier and one that demonstrates sustainable growth and profitability. We are undergoing a cultural transformation to follow the steps we took in the preceding year and to realize this strong desire of ours. Our motto is to make our actions at all levels revolve around the value-creating, customer-focused business culture. This transformation is under way to successfully pursue our goal of becoming the “Most Economical and Most Widespread Wholesale Market in Turkey,” and create benefits for all our stakeholders.

The powerful Customer Relations Management (CRM) applications we launched one year ago lie at the heart of the way we do business during this transformation. With the digitally synchronized CRM applications, we can now understand customer needs before they set foot in our stores, and take any required actions. This allows us to develop a product portfolio that is sensitive to the needs of each customer segment, and to launch new private label products at the best prices.

During our field visits, we meet our customers and analyze their needs for local brands. By doing so, we not only satisfy customer demands but also support local brands. In addition to the close relations we have with local and foreign brands, we continue to develop our private label portfolio.

While we have been investing in our customer and product

portfolios, we have also started a transformation in our sales channels in 2018. We opened the first Bizim Toptan store in a shopping center in Pendik Marina. We then opened our Göcek Marina store to better serve our marina customers. We reviewed our inefficient operations and those that fell short of the desired results, which are mostly caused by the macro environment. Accordingly, we moved three of our stores to new locations where they could operate more efficiently. We closed four stores that we believe would not improve by moving or renovating.

We continue to diversify our sales channels in accordance with the market transformation and current needs while we provide services with our 174 stores in 69 provinces of Turkey. To this end, we established our expert sales team, PROSAF, Professional Sales Force. Our PROSAF team is currently in 41 provinces, serving our customers at 52 Bizim Toptan stores. The PROSAF's customer portfolio consists of the strategically important gas station markets, corporate customers, hotels, restaurants, fast-food outlets, cafes, cake shops, catering companies, institutional kitchens, touristic establishments, industrial institutions, hospital cafeterias, school cafeterias, cafeterias at public corporations and institutions. With PROSAF, we aim to increase penetration in these customer segments and improve the performance of our stores. Our initial results show that we have been successful in achieving these targets.

As with our face-to-face channels, we have also renewed our digital sales platform and updated our website's interface to offer a more user-friendly experience. Our work is in progress to establish a digital platform to satisfy our customers' expectations with the highest quality service. These are some of the important steps we have taken to illustrate the Company's digital transformation.

In 2018, we aimed to invest in customer, product, price and sales channels to sustain and increase our market share. Despite the economic conditions of 2018, we continued our commercial activities and managed to successfully develop our business by meeting the needs of our customers. The best proof of our achievement is customers' choosing us as "the most productive" and "the friendliest" store in the industry, as our market surveys revealed. We are immensely proud to get positive customer reviews, which, we believe, is much more important than any numbers. We would also like to share how this achievement is reflected in figures:

As Bizim Toptan, we have done effective marketing in 2018 to acquire new customers and retain the existing ones. Accordingly, the number of active customers grew by 37.2 percent year-on-year and reached 1.459 million. This number is not only a new record Bizim Toptan's history but also lie at the root of our sustainable growth.

We broke records every quarter and finished the year with 28.6 percent growth in our total sales revenue. Our year-end turnover exceeded 3.7 billion Turkish lira, the highest sales revenue in our history. While we enhanced our product mix thanks to the 34 percent growth in main category sales, we also improved the customer mix with HORECA (hotels, restaurants, and cafes), corporate, retail and SEÇ Market channels increasing their share in total sales to 41 percent from 36 percent. These achievements, of course, have raised our profitability. Our gross profit increased by 67 percent compared to the previous year, while our gross profit margin rose to 11 percent. Our main category gross profit margin reached its highest ever level of 14.3 percent, which signals the start of a new era for Bizim Toptan. Additionally, our EBITDA margin of 4.0 percent is the highest in the Company's history. More importantly, the Company made a net profit of 21.6 million Turkish lira.

Esteemed Stakeholders,

These remarkable financial results were made possible thanks to the concerted efforts of Bizim Toptan employees and your unwavering trust. Besides key financial figures, what matters to us is our contribution to the Turkish economy and our ambition to provide first-rate services to our citizens by offering the highest-quality brands at the best prices. Accordingly, we made dramatic progress with our franchising system in 2018. We increased the number of SEÇ Market franchisees to 539 at year-end 2018 from 381 at the end of 2017. This system aims to offer high-quality private label and branded products to the nation's tradespeople at convenient prices and payment terms, in these highly competitive and increasingly difficult market conditions. It is equally important for our citizens, as it presents an alternative shopping channel where they can shop at reasonable prices. We established the SEÇ Market system as a first in Turkey. One of our top priorities is to accelerate the development of the SEÇ Market system in 2019 and thus provide additional support to our economy.

As we have always stated, Bizim Toptan is one of the most powerful players in the market, with its multi-channel sales policy, extensive store network, broad product portfolio, high-quality private label products, competitive prices and good corporate structure. As a solution partner for our suppliers and customers, we will keep moving forward and bolster our growth. Similarly, we hope to share strong results that Bizim Toptan and Bizim Toptan's stakeholders deserve in 2019.

Hüseyin Balcı

2018 Activities



In 2018, Bizim Toptan has entered a new golden era.

Bizim Toptan revised its customer-oriented culture in 2017, and has undergone a structural transformation to become the “Most Economical and Most Widespread Wholesale Market.” From the first day of 2018, we enjoyed the fruits of our transformative actions in the previous year. The transformation started in our multi-channel sales strategy, wide customer network and strong Customer Relations Management (CRM), and continued throughout 2018.

The Company has renewed the customer-oriented business culture by focusing on CRM and synchronizing its applications with the digital world. In this way, the Company has been able to do marketing, prepare product portfolios and plan pricing by understanding the customers’ needs and responding even before the customer comes to the store.

The Company opened three new stores during the year, moved three existing stores and closed four stores. Among the newly opened stores, the Pendik Marina store, the Company’s first shopping mall store, and the Göcek Marina store, which is designed to serve marina customers, are particularly distinctive. Thus, with 174 stores in 69 provinces at the end of 2018, Bizim Toptan continued to achieve substantial progress in each quarter and in each customer segment. New customer acquisitions grew thanks to advanced CRM applications and active marketing efforts, whereas customer losses decreased. By the end of 2018, the number of registered customers reached over 3.1 million. The number of active customers continued to break records and increased by 37.2 percent compared to the previous year, reaching 1.459 million. Coinciding with this development, the more profitable and more loyal customer channels continued to increase their shares in total sales.

In addition to CRM applications, Bizim Toptan made remarkable efforts to improve sales and adapt to the modern age. Professional Sales Force (PROSAF), the expert sales team providing door-to-door service, was established, and the digital sales platform was improved. Therefore, besides direct sales from stores, alternative sales channels were developed which improved store performance and enriched customer experience.

In addition to retail stores, Bizim Toptan also provided momentum to its franchising system, which supports the traditional sales channels. The number of franchisees rose to 539 at the end of 2018 from 381 at the end of the preceding year. Becoming a major supplier in the market thanks to the “win-win” philosophy, Bizim Toptan keeps extending its geographical coverage and grows together with its business partners every passing day.

The Company, while diversifying both customer and sales channels, attained healthy growth rates in every quarter of 2018 year-over-year. It increased its sales revenues by 28.6 percent compared to 2017 and achieved a turnover of 3.7 billion Turkish lira. Yielding attractive returns not only on sales revenues but also profitability, the Company increased its gross profit by 67 percent compared to the previous year. While the EBITDA margin reached 4.0 percent, the highest level in the Company’s history, the 2018 year net profit was 21.6 million Turkish lira, a complete turnaround from the net loss in the previous year.

Aiming to offer the most favorable prices and the highest-quality service to its customers in all market conditions, Bizim Toptan has continued to develop private label products. The Company holds 250 SKUs in its private label portfolio, offering quality at reasonable prices.

While Bizim Toptan is committed to serve all customer segments, it strategically aims to increase its market share in the HORECA, corporate, retail and SEÇ Market channels. The Company intends to be the top choice for all customer segments, to digitalize, to expand its store network, customer base and product range, and to grow the profitable main category and private label sales.

Investments And Investment Policy



Strategic positioning, price leadership and a low-cost structure are the factors that increase the efficiency of Bizim Toptan's investments.

Bizim Toptan finances new store investments mostly from its own equity and partly from long-term leasing.

Bizim Toptan owns the widest wholesale network across Turkey and sustained this position throughout 2018. The Company opened three new stores, moved three stores and closed four stores during the year. Accordingly, it owns 174 stores in 69 provinces as of the year-end 2018. The Company identified the locations for its new stores by considering the current and potential demand. It finances its new store investments from its own equity and long-term leasing.

Strategic positioning, price leadership, and a low-cost structure are among the major factors that increase the efficiency of Bizim Toptan's investments. Furthermore, the efficiency of existing stores was increased in 2018 thanks to the development of alternative sales channels. In this respect, the Company continued to develop the franchising model SEÇ, implemented PROSAF, the Professional Sales Force, and developed a digital sales platform. The Company plans to open new stores in 2019 using well-practiced selection processes and aims to enhance store efficiency by reinforcing alternative sales channels.

In 2019, the Company will continue to implement a channel-oriented management strategy in line with its multi-channeled, sustainable and profitable growth model, and HORECA, corporate customers, and individual customers will remain the area of focus for Bizim Toptan's investments. Furthermore, the Company will continue to assist traditional channel players with an entrepreneurial spirit through its franchise system.

The Company also continues to contribute to regional development with its investments.

Human Resources



The Company is designing professional development programs for store managers and sale representatives to develop qualified workforce in the industry.

Bizim Toptan employs 2,012 people directly and supports regional employment with its extensive store network. A high priority is placed on professional and personal training. Bizim Toptan strives to foster an environment in which teamwork is encouraged and employee loyalty is promoted, helping to maximize the Company's competitiveness.

With the support of its highly qualified, specialized and dedicated workforce, Bizim Toptan has enjoyed continued growth since 2002 and become one of Turkey's leading companies.

Bizim Toptan's Human Resources policy is based on:

- Contributing to the organization's strategies by understanding the corporate environment's opportunities and developments,
- Helping it accomplish its strategic targets by identifying the organization's current and future needs, designing an organizational structure most suitable to such needs, and putting processes in place to develop human resources,
- Growing Bizim Toptan into one of the most desired companies to work for by raising standards in all areas of activity (retail and Cash & Carry), focusing strategies on customer satisfaction, sustainable quality, respectability, and sector leadership,
- An understanding that it is individuals who make the difference in a competitive environment. We recognize that improving employee satisfaction, motivation, and encouraging employee loyalty and collaboration are all key to achieving this;
- Maintaining a belief in "Happy Employees, Happy Customers."

As of December 31, 2018, Bizim Toptan employed 2,012 people directly and supported the regional employment with its extensive store network. The majority of the employees work full time.

The Company increased the number of management trainee programs in 2018 by adding the Customer Representative Development Program to the B-Raise Management Training program launched in 2017. The B-Raise and Customer Representative Development programs strive to prioritize employment of new graduates in the recruiting processes.

Bizim Toptan continues to offer new talent both internship and employment opportunities, providing support as they gain experience. In this regard, the Company provided internship to 11 trainees in 2018, by giving them the opportunity to attend the JOB Internship program sponsored by Yıldız Holding.

As part of a rapidly growing organization, all employees undergo Human Resource Planning (Skills Management) so that they may be considered for all suitable positions.

The Company's compensation and benefits policy is based on an internally fair and externally competitive structure that supports high performance.

The company's business processes have been certified in accordance with the ISO 9001:2008 Quality Management System by the Turkish Standards Institution. The certificate and the related documents are available in the "Quality Document Management System" (QDMS) via the intranet. Employees may access QDMS based on their authorization levels and responsibility areas.

The Bizim Toptan Family focuses on innovation and change, publishing "BİZDEN," an internal quarterly bulletin which brings the entire team up to date on corporate developments, success stories and awards. In addition, Bizim Toptan, together with all its employees, celebrates Retail Employees' Day on December 12, supporting industry loyalty among employees.

Corporate Social Responsibility



Bizim Toptan is an industry leader in corporate social responsibility by supporting environmental, education, and public health initiatives.

As an industry leader in corporate social responsibility, Bizim Toptan adheres to environmental, health and safety laws in all its business and store operations. The social and environmental impacts of all the company's activities are taken into consideration.

Bizim Toptan leads the community by example with utmost care in the adoption of policies that respect and support the environment, education, and public health. Company policy requires business strategies to be implemented according to principles of ethical and social responsibility. For this purpose, social and environmental impact of the company's daily operations are considered. The company's executive management believes that the company's activities, transactions and store operations all comply with all applicable environmental, health and safety laws.

Bizim Toptan supports the social responsibility initiatives in which its parent company Yıldız Holding A.Ş. participates. In this context, we have celebrated "Make Happy, Be Happy" day on the third Thursday of November every year since 2014. As part of "Make Happy, Be Happy" day in 2018, we made our customers happy with small treats and gave support to needy children through the Turkish Red Crescent on behalf of all our employees.

The social responsibility group "A Nice Move," formed by female employees under the leadership of Human Resources, undertook some great initiatives in 2018. During Ramadan, donations were collected, and groceries were distributed to families in need. Using proceeds from the sale of food in the office prepared by women employees, one water pump, one Welcome-to-the-World-Baby package and five ready-to-use therapeutic food packages were bought and delivered to disadvantaged families through UNICEF.

Bizim Toptan also fulfills its responsibility to its employees with respect to social activities and motivation. Every month in 2018, the Company provided a workshop for employees given by a professional expert on a particular subject. The Company ensures that staff receive training in different topics, such as technology, leadership, parent-child relationships and performance management, from experts specializing in these areas.

Digitalization, one of the strategic priorities of the Company, continued to be an area of focus, and the OnCampus project was launched. OnCampus is a social learning platform exclusive to Bizim Toptan. This platform is a corporate social communication tool whereby Bizim Toptan employees can learn new things from specialized trainers as well as from fellow employees and can develop themselves. The company continues to contribute to regional development with its investments.

Investor Relations



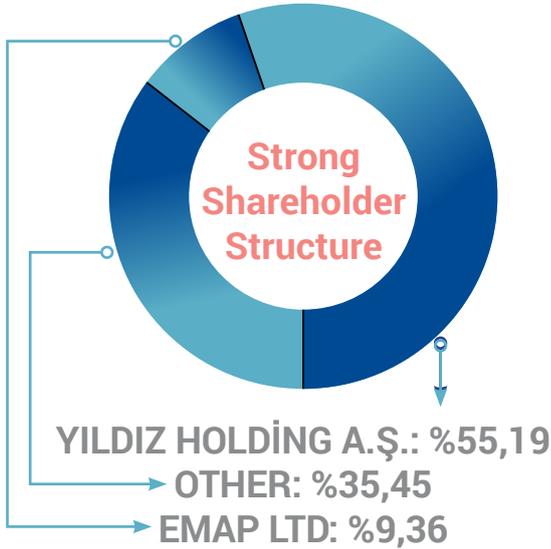
Investor Relations Applications at Global Standards

Bizim Toptan Investor Relations carried out face-to-face meetings with over 100 corporate investors and brokerage firms (analysts and overseas sales department representatives) during 2018.

Following the announcement of the financial results during the year, the Company shared the evaluation of the financial results with its stakeholders joined by its CEO and CFO, and arranged four webcasts/teleconferences.

The Company also participated in the Analysts and Investors meeting organized by its parent company Yıldız Holding A.Ş. together with all its publicly-traded subsidiary companies.

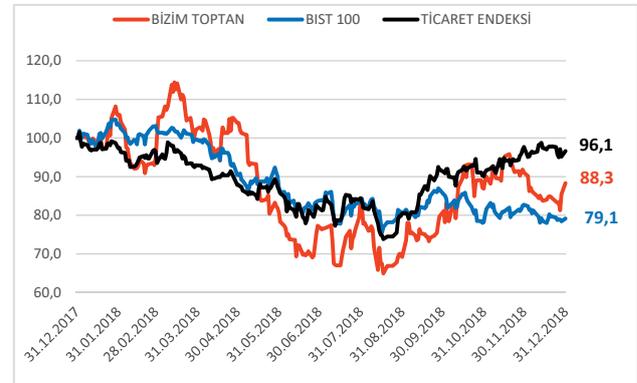
During the year, the Company attended the WOOD & Company investors conference in Prague and organized road shows in Qatar and Istanbul, where meetings were held with executives of portfolio management companies



- » Initial Public Offering: February 3, 2011
 - » Stock Symbol: BIZIM.IS
 - » Bloomberg Symbol: BIZIM TI Equity
 - » Paid-in Capital: 60,000,000 TRY
 - » Authorized Capital: 200,000,000 TRY
- 2018 Key Data**
- » Closing Price: 6.80 TRY
 - » Market Value: 408,000,000 TRY
 - » BIST Indices that the Company is Included: BIST STARS, BIST ALL SHARES, BIST ALL SHARES-100, BIST SERVICES, BIST W. AND RETAIL TRADE
 - » Free Float Rate: 46%

Daily Closing Prices of Bizim Toptan, BIST 100 and Trade Index: 31.12.2017 = 100

As of the end of 2018, the BIST 100 Index dropped by 3.9 percent, while the BIST Trade Index fell by 20.9 percent. With a decline of 11.7 percent, Bizim Toptan underperformed the BIST 100 Index, but outperformed the BIST Trade Index.



Investor Relations Department
İŞİL BÜK
 Investor Relations Senior Manager
 Phone: +90 216 559 1060
 isil.buk@bizimtoptan.com.tr
 ir@bizimtoptan.com.tr

Bizim Toptan Satış Mağazaları A.Ş.

Kuşbakışı Cad. No:19
 Altunizade - Üsküdar / İSTANBUL
 34692
 www.biziminvestorrelations.com

Corporate Governance Principles Compliance Report



After further strengthening its corporate and organizational structure in 2018, Bizim Toptan looks to the future with confidence.

SECTION I DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Since its foundation, Bizim Toptan has always recognized the importance of embracing and applying the Corporate Governance Principles of the Capital Market Boards of Turkey (CMB). In recent years, these efforts have been intensified. Based on Article 17 of the Capital Market Law No. 6362 dated December 6, 2012, and the Capital Markets Board's "II-17.1 Communiqué on Corporate Governance" published on January 3, 2016, the said communiqué and some of its corporate governance principles have become mandatory for companies that trade on the BIST.

Accordingly, our company has adopted the mandatory provisions as set forth by the CMB. Additionally, efforts have been made to ensure compliance with other provisions that are not mandatory.

To ensure compliance with the Corporate Governance Principles, the Company has:

- Created "Investor Relations Directorate,"
- Created its BoD by determining, declaring to the public, and sharing the résumés of independent Board Member nominees in a number specified in Communiqué on Corporate Governance Principles,
- Created the Corporate Governance Committee, Audit Committee, and Early Risk Detection Committee, all of which report to the BoD,
- Published the rules of procedures of the Committees on its website and Public Disclosure Platform (PDP),
- Appointed independent Board Members to chair the Committees and ensured that the number of independent members in these Committees was higher than other members,

- Submitted the disclosure documents, meeting agenda, annual report, resumes of Board Members and other required data and information for the investors' and shareholders' information three weeks before the General Assembly,

- Submitted the related party transactions to the Board of Directors and passed a resolution to continue with the transactions, with the approval of the independent Board Members,

- Prepared for the E-General Assembly, generated an internal directive, and held E-General Assemblies since 2012,

- Created a report on common and continuous transactions, which is then published at the PDP with the Board's resolution,

- Included the Investor Relations Manager in the Corporate Governance Committee to ensure the compliance of the Committee members with the Communiqué on Corporate Governance,

- Introduced insider trading regulations,

- Elected a female member to the Board, (Representing 1/8 of the total members of the Board of Directors)

- Modified its website according to the principles,

- Taken the necessary steps to make sure its Articles of Association (AoA) comply with Corporate Governance Principles.

Although we seek to fully comply with the non-mandatory Corporate Governance Principles, this has not yet been achieved because of some challenges in implementing some of the principles and misalignment of some principles with the Company's current structure. We are still working on the principles that have not yet been

implemented. This incompleteness has not so far caused a conflict of interest between stakeholders. We plan to implement these principles after the administrative, legal, and technical infrastructure works are completed in a manner to contribute to the effective administration of our company.

The Reasons for not Implementing Some of the Corporate Governance Principles:

- A model or mechanism concerning the stakeholders' participation in management has not yet been created. However, the existence of independent members at the Board makes it possible that all stakeholders can be represented in management besides the Company and shareholders. The Company always takes into consideration the opinions and insights of its employees, suppliers, non-profit organizations, and all other stakeholders.
- The Company has not yet introduced an indemnity policy concerning employees, which is compulsory under Article 3.1.2 of the Corporate Governance Principles. However, the work is in progress.
- Some Board Members serve on multiple committees.
- In accordance with Article 4.6.5 of the Corporate Governance Principles, the salaries paid and all other benefits offered to Board Members and the senior executives are disclosed to the public in annual reports. However, such a declaration is not based on individuals.
- The AoA do not contain any clause saying that the shareholders can individually request a special audit from the General Assembly. The TCC and CMB regulations concerning the appointment of a special auditor are considered to be sufficient. In accordance with the regulations under the Turkish Commercial Code (TCC) numbered 6102, which came into force on July 1, 2012, every shareholder's right to request a special audit is protected.

Below is information about our Company's Corporate Governance activities. Pursuant to the resolution of the Capital Markets Board numbered 2/49, dated January 10, 2019, the Corporate Governance Compliance Report No. II-17.1 will be prepared using the Corporate Compliance Report (URF) and Corporate Governance Information Form (PIF) templates on the Public Disclosure Platform (PDP). You can reach the relevant reports on our page at the PDP platform:

<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1536-bizimtoptan-satis-magazalari-a-s>

SECTION II SHAREHOLDERS

2.1. Investor Relations Department

The Investor Relations Department operates under the Investor Relations Senior Directorate, which reports to the Company's CFO Özden Erol Dünder. The department is managed by Işıl Bük, who holds both a Capital Market Activities Level 3 License and Corporate Governance Rating Specialist License. In addition to providing written, verbal, and online responses to enquiries from current and potential shareholders, the department regularly participates in investor conferences, meeting domestic and foreign corporate investors both at home and abroad. In 2018, the Investor Relations Senior Directorate attended one conference, organized two road shows, and held 109 meetings with current and potential shareholders.

Investor Relations Senior Directorate contact information:
Özden Erol Dünder (CFO)

Işıl Bük (Investor Relations Senior Manager and Member of the Corporate Governance Committee) Phone: +90 216 559 10 60
Email: ir@bizimtoptan.com.tr

This department manages communications with the BIST, CMB, and CRA, and for announcements made to inform shareholders. Besides the ordinary and extraordinary shareholders' meetings, various other meetings are held with the shareholders based on projects or on request.

2.2. Exercise of Shareholders' Rights to Information

All written and verbal information requests from shareholders during the period were answered, with the exception of those related to trade secrets or information not disclosed to the public. All the information that is required for the shareholders to exercise their rights properly is provided to them in the quarterly and annual financial statements, annual reports, in material disclosures, and in response to personal requests. This information is also available at www.bizimtoptan.com.tr and www.biziminvestorrelations.com.

Whereas the company's audit principles and procedures have been provided in Article 13 of the AoA, no requests were received for the appointment of a special auditor during this period.

2.3. General Assemblies

Article 1527 of the Turkish Commercial Code (TCC) No. 6102 dated January 13, 2011, stipulates that participating, making a proposal, expression an opinion, or casting a vote in the electronic environment in the general

making a proposal, expression an opinion, or casting a vote in the electronic environment in the general assembly of a joint-stock company have all of the same legal consequences as physical participation and voting, and that establishing a system to allow participation and voting in the general assembly in the electronic environment is compulsory for companies that are traded on the stock market. According to the provisions of this article, an e-General Assembly is held along with the physical General Assembly on the same date.

The 2017 Ordinary General Assembly was held with the attendance of our shareholders representing approximately 62 percent of the 60 million Turkish lira paid-in capital. The Ordinary General Assembly was held on April 10, 2018, at Kuşbakişı Cad., No. 19, Altunizade, Üsküdar, İstanbul. At the meeting 33,111,290.76 shares corresponding to 33,111,290.76 Turkish lira were represented physically by proxies, and 4,468,741.5 shares corresponding to 4,468,741.5 Turkish lira were represented electronically by proxies; hence a total number of 37,580,032.26 shares were represented. The media did not participate in the meeting. Invitation to the meeting was prepared with the inclusion of the agenda and as stipulated by the Law and by the Articles of Association, and announced on the Turkish Commercial Registry Gazette No. 9539, dated March 19, 2018, in the March 16, 2018, issue of the daily Dünya Newspaper, on the corporate website of the company at www.bizimtoptan.com.tr, and on the Public Disclosure Platform.

As of the General Assembly invitation announcement date, financial tables and reports, including the annual report, dividend distribution proposal, briefing document concerning the General Assembly agenda items, and other documents that form the basis of the agenda items were made available for review by the shareholders at the company headquarters and branches.

Prior to the General Assembly, the company shared with the shareholders: the meeting agenda; a sample proxy form; registration document; balance sheet; profit-loss statements; independent auditor's report and footnotes; Board of Directors' resolution on dividend distribution, the annual report, and the report on related party transactions. These were made available before the date of the meeting and within the legal time frame at www.biziminvestorrelations.com.

At the General Assembly, the agenda items were expressed in an objective, detailed, clear and understandable manner. Shareholders were provided with equal opportunity to express their opinions and ask questions to create a proper discussion environment.

The shareholders who took the floor in the 2018 general assembly expressed wishes for a successful year and did not make any other suggestions than the items in the agenda. Minutes and agenda items from the General

Assembly were published at www.biziminvestorrelations.com Information about the 2017 General Assembly:

-The matter of considering the 2017 Annual Report as read was accepted by a majority, with 37,551,139.26 electronic and physical affirmative votes and 28,893 electronic dissenting votes.

- Prepared by the DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the Capital Markets Board's Communiqué No. 14.1 on Principles Regarding Financial Reporting in Capital Markets, the Independent Auditor's Report, which contains the consolidated financial statements for the 2017 accounting period and the related operating results, was accepted by a majority, with 37,551,139.26 affirmative votes and 28,893 dissenting votes. The Independent External Audit Report was discussed; there were no requests to take the floor.

- The 2017 balance sheet and profit/loss statement, which accurately reflect the accounting principles and standards specified in the Capital Markets Board's Communiqué Series II - No. 14.1 on Principles Regarding Financial Reporting in Capital Markets, were accepted as read by a majority, with 28,893 electronic dissenting votes against 37,552,139.26 electronic and physical affirmative votes. The balance sheet and profit/loss statement for 2017 were discussed and they are accepted by a majority of votes, with 37,551,139.26 electronic and physical affirmative votes against 28,893 dissenting electronic votes.

- With 28,893 electronic dissenting votes against a majority of 37,551,139.26 affirmative electronic and physical votes, each member of the BoD was discharged for their work in 2017. Members of the BoD did not exercise their voting rights during their individual discharges from liability for 2017.

- As our Company's financial statements indicated a period loss, after considerable discussion on the allocation of 2017 profits, the attendees unanimously voted for not distributing profits, upon the resolution of the February 28, 2018, BoD meeting.

-The attendees agreed with the BoD's resolution to elect PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to perform the independent external audit of our Company in 2018, with a total of 37,551,139.26 affirmative electronic and physical votes and 28,893 dissenting electronic votes.

-The General Assembly was provided with information regarding the collaterals, pledges, and liens the company gave in 2017.

- The General Assembly was informed about the donations made by the Company in 2017.

- The General Assembly was briefed about the transactions with the "Related Parties" in the balance sheet footnote

numbered 23 in the independently audited financial statements, which were prepared pursuant to CMB's Corporate Governance Principles and other regulations.

- With a majority of 37,578,144.26 electronic and physical affirmative votes against 1,887 electronic dissenting votes, the members of the BoD were granted the authority for the activities they will carry out for the Company as per Articles 395 and 396 of the TCC.

- The shareholders speaking in the Assembly's "wishes and requests" part wished for a successful year in 2018.

2.4 Voting Rights and Minority Rights

Each share has one right to vote pursuant to our AoA.

Shareholders who are entitled to attend the company's General Assemblies may choose to do so by electronic means as stated in Article 1527 of the Turkish Commercial Code. Pursuant to the "Regulation on the Ordinary General Assembly of Joint Stock Companies to be Held via Electronic Media," the Company must either implement an electronic participation and voting system, or acquire a system developed for this purpose. This will be so that the shareholders are able to participate, express opinions, make recommendations and vote via electronic means. Pursuant to this provision of the AoA, the Company must ensure that all entitled shareholders and their proxies are provided with the means to exercise their rights stipulated by the said communiqué in all general meetings, via the system installed.

The AoA do not contain any provision that prevents the non-shareholders from voting by proxy as a representative. The Company does not have any reciprocal shareholding with another company.

No privileges are granted to any shares or share groups in our Company's capital. And cumulative voting is not practiced in the Company.

2.5. Dividend Rights

The company's Dividend Distribution Policy was formed following the profit distribution decision made by the Board during their meeting on March 11, 2011. The AoA does not offer any privileges in dividend distribution among shares/shareholders. The Company's "Dividend Distribution Policy" has been disclosed to the public through annual reports and the corporate website. This policy is described below:

"Subsequent to approval by the General Assembly, the company may distribute dividends in cash, bonus shares, or as both cash and bonus shares, in an amount determined by the BoD in accordance with the CMB communiqués and regulations within the scope of the long-term growth strategies, and in consideration of investment and financing plans as well as profitability. As long as the related legislation and investment needs allow, it has been

defined as our company's dividend policy to distribute 50 percent of payable net profit to the shareholders as cash profit, and it was decided unanimously by the BoD that this policy will be submitted for the approval of the General Assembly. Any future changes to this policy will be publicly disclosed."

- As our Company's financial statements indicated a period loss, after considerable discussion on the allocation of 2017 profits, the attendees unanimously voted for not distributing profits, upon the resolution of the February 28, 2018, BoD meeting, at the Ordinary General Assembly Meeting on April 10, 2018.

2.6 Transfer of Shares

The transfer of shares was addressed in the Articles of Association (Article 6). Accordingly, there are no restrictions on transfer of shares without prejudice to the provisions of the TCC, the capital markets legislation and the AoA.

SECTION III PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website and Content

Our corporate website is available both in Turkish and English at www.bizimtoptan.com.tr Following information is provided on the corporate website for the shareholders;

- Information about Bizim Toptan
- Investor Relations
- Campaigns
- Products
- Customer applications
- Vision and Mission
- Areas of activity
- Our contribution to Turkey's economy
- Articles of Association
- Financial Reports
- Financial calendar
- Material event disclosures
- Minutes of the General Assembly
- Prospectus and circular for public offering
- List of corporate insiders
- Investor Presentations
- Analyst Information
- Shareholder Structure
- Disclosure and Dividend Distribution Policies
- Information about Executive Management
- Information Society Services
- Personal Data Protection Law

The corporate website address is provided on the company letterhead in accordance with the CMB Communiqué on Corporate Governance Principles.

3.2. Annual Report

The company's Annual Report is prepared in sufficient detail so as to ensure that the shareholders and the public have access to complete and accurate information regarding the company activities and in compliance with the principles set forth in the CMB's "II-17.1 Communiqué on Corporate Governance" and other legislation.

All necessary measures have been taken to prevent the use of insider information. Related institutions are provided information regarding the company executives and other persons/institutions with access to information that can affect the value of capital market instruments belonging to the company. In accordance with current legislation this information is also published on corporate website. Listed below are the company executives and other persons/ institutions with access to information that can affect the value of capital market instruments, which are included in our annual report.

SECTION IV STAKEHOLDERS

4.1. Informing Stakeholders

The company's Disclosure Policy is carried out in accordance with the rules stipulated by legislative regulations, CMB legislations and the issued directives. The company prepared a written policy addressing public disclosure, which was announced to the shareholders and the public on the company website following the approval of the BoD.

The authority to constitute the disclosure policy and to amend it lies with the BoD. Upon the approval of the BoD, the Disclosure Policy and any amendments thereof, are published on the company website. The Investor Relations Department is responsible for the execution of the Disclosure Policy.

As a basic principle, in the event of a related request all publicly disclosed information shall be sent to the relevant person as soon as possible. In the event of an information request from shareholders, written or verbal information is provided. Throughout the year, the company issues material event disclosures promptly for any major development that may require public disclosure. The company's Annual Report is prepared in sufficient detail so as to ensure that the shareholders and the public have access to complete and accurate information regarding the company activities.

Material Event Disclosures

From January to December 2018, the company released 14 material event disclosures in accordance with CMB regulations. These disclosures are available at both the PDP and on the corporate website. There are no material

disclosures that the Company have failed to announce in due time. The CMB has not requested any clarifications or additional information about the company's material event disclosures.

In the event the rights of the stakeholders are not regulated by legislation or a contract, the company protects their interests in good faith and within means available to the company, with due consideration given to the reputation of the company.

In addition, all employees have access to internal circulars and bulletins through the company's intranet, and receive certain important announcements immediately through email.

The company does not restrict stakeholders from contacting the Corporate Governance Committee or the Audit Committee about any company transaction that they deem either unethical or contrary to regulations. Stakeholders may contact these committees by any communication means they prefer.

Stakeholders may report violations of ethical principles through Yıldız Holding's Ethical Reporting Line: +90 216 524 34 24 or etik.bildirim@yildizholding.com.tr

Which is presented in investor relations website. In addition to this, feedbacks both ethical and other subjects can be shared via Yıldız Holding Customer Relations Center's call center at 0212 576 33 00 and mim@yildizholding.com.tr.

4.2. Stakeholders' Participation in Management

Pursuant to the AoA the BoD consists of at least five members who are elected by the General Assembly upon nomination by shareholders of different share classes. The company's BoD is composed of eight members, three of whom are independent members. The company does not have any practices related to stakeholders' participation in management.

4.3. Human Resources Policy

The fundamental policy of human resources is to create a high performance team by building on previous achievements; improving and developing the human capital. The human resources policy adopted by the company is fundamentally that of Yıldız Holding's, and is available at www.bizimtoptan.com.tr.

The Human Resources Department is responsible for managing relations between the company and its employees. To this date, no discrimination complaints have been made regarding the company's human resources policy. The company believes that an emphasis on training and quality are key to achieving long-term success. Therefore, the company has embraced continuous development of its employees as one of its core principles. The Human Resources Department is

responsible for communicating job descriptions and distribution of duties as well as performance and reward criteria to the employees.

Our Human Resources Policy is built on:

- Contributing to the organization's strategies by understanding the corporate environment's opportunities and developments,
- Helping it accomplish its strategic targets by identifying the organization's current and future needs, designing an organizational structure most suitable to such needs, and putting processes in place to develop human resources,
- Growing Bizim Toptan into one of the most desired companies to work for by raising standards in all areas of activity (retail and Cash & Carry), focusing strategies on customer satisfaction, sustainable quality, respectability, and sector leadership,
- An understanding that it is individuals who make the difference in a competitive environment. Recognizing that improving employee satisfaction, motivation, and encouraging employee loyalty and collaboration are all key,
- Maintaining a belief in "Happy Employees, Happy Customers."

4.4. Code of Conduct and Social Responsibility

The company's Code of Conduct is available on the corporate website. Since its foundation, Bizim Toptan has striven to develop the management principles it has gone

on to embrace. We are respectful to our employees and we work to protect the rights of partners, shareholders, suppliers and customers alike. We are mindful of social values and social responsibilities, and we work to promote the utmost affinity, respect and collaboration between our managers, employees, suppliers and customers. We endeavor to ensure high performance in work and instill honesty, consistency, trust and responsibility in everything we do.

Furthermore, the company takes pains to implement policies to respect and support the environment, sports, education and public health.

SECTION V BOARD OF DIRECTORS

5.1. Structure and Organization of the BoD

The company's BoD is composed of eight members, three of whom are independent members. Executive as well as non-executive members serve in the BoD. The BoD is made up of mostly non-executive members. Non-executive Board Members include independent members who possess all of the criteria stipulated by the CMB regulations, who are able to carry out their duties without prejudice, who can follow up on the company activities, and who can perform the requirements of the job properly.

The positions of the Chairman of the Board of Directors and the company CEO are always held by different people. Hüseyin Balcı is the company CEO. The three independent

Information about the BoD as of December 31, 2018, is as follows:

Full Name	Duty	Date of Appointment	Term of Office	Executive Function
Cengiz Solakoğlu	Chairman/Independent Board Member	24.04.2017	3 years	Non-Executive
Mustafa Yaşar Serdengeçti	Vice Chairman of the Board of Directors	24.04.2017	3 years	Executive
Murat Ülker	Board Member	24.04.2017	3 years	Non-Executive
Ali Ülker	Board Member	24.04.2017	3 years	Non-Executive
Mahmut Levent Ünlü ¹	Board Member	24.04.2017	3 years	Non-Executive
Erman Kalkandelen	Board Member	24.04.2017	3 years	Non-Executive
Fatma Füsün Akkal Bozok	Independent Board Member	24.04.2017	3 years	Non-Executive
Bendevi Palandöken	Independent Board Member	24.04.2017	3 years	Non-Executive

¹ Mahmut Levent Ünlü represents Emap Ltd.

Executive Management

Full Name	Duty	Tenure in the Company	Prof. Experience
Hüseyin Balcı	CEO	2 years	21 years
Recep Çalışkan	Deputy General Manager Responsible For Trade	14 years	25 years
Özden Erol DüNDAR	CFO	2 years	22 years
Tarık Duvan	Sales and Operation Director	2 years	18 years
Veysel Hasanhocaoğlu	Operation Dedicated Channels Sales Director	1 year	19 years

Short biographies of our Board Members are provided below.

Cengiz Solakođlu

Chairman of the Board of Directors/Independent Board Member

Cengiz olakođlu graduated from the Istanbul Academy of Economic and Commercial Sciences in 1964.

He began his career as a salesman at Beko Ticaret A.Ő. where he became the company's General Manager in 1977, holding the office until 1983. He was then appointed the General Manager of Atılım Company, another company of the Ko Group. During his eight-year tenure, he led the efforts to restructure and empower the Arelik Authorized Dealership System. In 1991, he was appointed the Vice Chairman of Ko Holding Consumer Group. In 1994, he was appointed Chairman of the Consumer Group.

Solakođlu also served as the Member of the Executive Board of the Holding from 1996 to 1998. He was appointed Chairman of the Ko Holding Consumer Durables Group before retiring from the Ko Group after 38 years of service due to a 60-year age limit.

He is a founding member of both the 1907 Fenerbahe Association and the Education Volunteers Foundation. In 2003, he was named Civil Society Leader by The Economist magazine when he was the Chairman of Turkish Education Volunteers Foundation Board of Directors. He still serves as TEGV Chairman of the Board. Solakođlu graduated from Marmara University.

Mustafa YaŐar Serdengeti

Vice Chairman of the Board of Directors

Mustafa YaŐar Serdengeti graduated from Istanbul University Faculty of Economics in 1982 and started to work as an auditor at Deva Holding the same year. He was recruited as an auditor by Yıldız Holding in 1985. He worked as the Deputy General Manager between 1992 and 1998 and General Manager between 1998 and 2004 at İstanbul Gıda DıŐ Ticaret A.Ő., playing a key role in foundation of the foreign trade company of lker Group and exporting goods to 106 countries in 12 years. He conducted unification and outsourcing of the transportation and storage operations of lker Group companies from 2004 to 2006.

He took charge of the restructuring of Bizim Toptan SatıŐ Mađazaları A.Ő. between 2005 and 2010, and acted as the Deputy Chairman of the Board of Directors while the company was implementing a new vision and becoming one of the prominent organizations of the industry. He designed the new management and road map when Őok Market Chain was purchased from the Migros Group.

He then took part in the acquisition of UCZ Markets and development of its organization and creation of new formats.

Serving as the Head of the Retail Group since 2011, Mustafa YaŐar Serdengeti is specialized in sales and retail and improved the performance and reorganization of many companies.

While the sales and retail companies reported to the Head of the Retail Group until 2017, joint venture companies and some of the holding's subsidiaries making sales to the retail and non- domestic consumption channel (g2m, EKSPER) started to report to the Head of the Retail Group after the incorporation of Pladis. Since 2011, Serdengeti is one of the Board Members of Őok Marketler A.Ő.

He holds a Master's degree in auditing from Istanbul University's Department of Business Administration. He is married and a father of four. He speaks English.

Murat Ülker

Board Member

A graduate of Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration, Murat Ülker began his professional career in 1982 and started work as Control Coordinator with the Group in 1984. He later attended various training courses (AIB and ZDS) abroad and worked as a trainee at Continental Baking Company in the US. Mr. Ülker also worked in the export business for two years in the Middle East. Subsequently, he analyzed about 60 factories and facilities operating in the biscuit, chocolate and food

industries in the US and Europe over a period of three years. Mr. Ülker also participated in various IESC projects, and spearheaded many vertical integration related investments. After serving as Assistant General Manager for Enterprises, General Manager, Executive Committee Member and Board Member in various companies of the Group, Mr. Ülker was appointed Chairman of the Board of Yıldız Holding in 2000. Mr. Ülker speaks English and German; his hobbies include sailing and traveling with his family. He is married and has three children.

Ali Ülker

Board Member

Ali Ülker was born in 1969 and educated in the Business Administration Department of the Faculty of Economics and Administrative Sciences at Boğaziçi University, Istanbul. He has also attended various programs at IMD and Harvard. He worked in the Internal Kaizen Projects at De Boccad & Yorke Consultancy (1992) and on IESC Sales System Development and Internal Organization Projects (1997). Mr Ülker joined the group in 1985 as an intern in the quality control department of Ülker Gıda. From 1986 to 1998 he worked at chocolate production facilities and at Atlas Gıda Pazarlama in positions including sales manager,

sales coordinator, product group coordinator, and product group director. In 1998 Mr Ülker became general director of Atlas Gıda Pazarlama, and in 2001 became the general director of Merkez Gıda Pazarlama. In 2002, he rose to vice chairman of the food group and in 2005 chairman of the group. Working as vice chairman of the Yıldız Holding Board of Directors since 2011, Ali Ülker is also the chairman of the Global Innovation Group and Quality Group and acts as Chief Synergies Officer. Ali Ülker is married with three children. He enjoys fishing, cinema and literature, as well as playing basketball and billiards.

Fatma Füsün Akkal Bozok

Independent Board Member

Fatma Füsün Akkal Bozok completed her academic studies with a Master's degree at Boğaziçi University Faculty of Administrative Sciences and a PhD degree at Istanbul University Faculty of Business Administration.

She began her career at the Arthur Andersen Audit Company in 1980. She joined the Koç Group in 1983 where she served as an Audit Specialist and Deputy Coordinator at the Holding's Audit and Financial Group.

She was appointed Coordinator of the Audit and Financial Group in 1992 and held the office for 11 years.

Having acted as the Director of Financing Group between 2003 and 2006, Akkal is a professor at Sabancı University, and has been serving as a Board Member of Yapı Kredi Bankası since 2005. Akkal is also an Independent Board Member at Ford Otosan, TAT, Akis GYO and Bizim Toptan Satış Mağazaları A.Ş. She is also an associate professor at Sabancı University, member of TKYD, TIDE, Turkish Certified Accountants Association, and Bogaziçi University alumni organization.

Mahmut Levent Ünlü Board Member (Representing Emap Ltd.)

Mahmut Ünlü is the Chairman and CEO of Turkey's leading investment banking and asset management group ÜNLÜ & Co.

In 1996, Ünlü founded Dundas Ünlü, which provided merger and acquisition consultancy services. While Mahmut Ünlü was a Managing Partner, Dundas Ünlü extended its range of services towards investment banking, and the Standard Bank of South Africa became a partner of the company by purchasing a majority share. Following this partnership, Dundas Ünlü was renamed Standard Ünlü, and Mahmut Ünlü became its Deputy Chairman and CEO. Ünlü was a member of the Standard Bank International Executive Board from 2007 to 2012.

In 2012, he purchased the principal shares of Standard Bank in his company and several asset management companies of the group to found ÜNLÜ & Co. While Standard Bank was a minority shareholder of ÜNLÜ & Co, the company was partnered by Wellcome Trust, a leading social responsibility foundation in the United Kingdom, which purchased a minority share in the company. Mahmut Ünlü graduated from the Georgia Institute of Technology Department of Mechanical Engineering in 1989, then received an MBA degree from Rice University in 1991.

Erman Kalkandelen Board Member

Erman Kalkandelen is the country manager for Franklin Templeton Investments, responsible for research of companies in Turkey, the Middle East and Eastern Europe. He serves on the board of directors of Defacto Perakende Ticaret A.Ş., Şok Marketler Ticaret A.Ş. and Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. He graduated from Ankara University, Faculty of Political Sciences, Department of Labor Economics with high honors.

He then earned a Master's Degree (MBA) with high honors in Business Administration at Sabancı University. During his MBA studies, he specialized in strategic management at Florida University Warrington School of Business Administration.

Bendevi Palandöken Independent Board Member

He was born in Malatya in 1949. In 1965, he was elected a member of the Supervisory Board of the Ankara Union of Grocers and Vendors, where he served as Vice President from 1978 to 1984. Since 1984, he has been the President of the Federation of Grocers and Vendors. Palandöken is also the President of the Ankara Grocers, Vendors, and Artisans Credit and Surety Cooperative, which he founded in 1978. In 1996, Palandöken was elected Member of the Board of Directors of the Confederation of Turkish Tradesmen and Craftsmen (TESK). Three years later, he was elected Vice Chairman. Since 2007, he has been TESK Chairman.

Meanwhile, Palandöken performs many other duties in different roles at other institutions.

He is the Vice President of the Euro-Mediterranean Partnership (EUROMED), a member of the Turkey and European Union Joint Consultative Committee (TR&EU JCC), a Board Member of the Foreign Economic Relations Board (DEİK), an Executive Committee Member at the Small and Medium Industry Development Organization (KOSGEB), a Board Member at the Social Security Institution (SGK), a Board Member at the Vocational Qualifications Authority (MYK), Term Chairman at the Brussels Office of Turkish Research and Business Organizations established by TESK, TOBB, TÜBİTAK and KOSGEB, and Chairman of the Craftsman's Association. He has also been running a grocery store on Telli Kaya Street in Cebeci, Ankara, continuously since 1962.

The joint “declaration of independence” of the Independent Members of the BoD is presented below:

BAĞIMSIZLIK BEYANI

Bizim Toptan Satış Mağazaları Anonim Şirketi (“Şirket”) Yönetim Kurulu’nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu’nun 3 Ocak 2014 tarihli ve 28871 sayılı Resmi Gazete’de yayımlanarak yürürlüğe giren Kurumsal Yönetim Tebliği (II-17.1)’nde belirtilen Kurumsal Yönetim İlkeleri’nde belirlenen kriterler kapsamında, 24 Nisan 2017 tarihli Olağan Genel Kurul Toplantısı’nda “bağımsız üye” sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran ve şirkette önemli derecede etki sahibi olan ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında, son beş yıl içinde, önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisi bulunmadığımı, sermaye veya oy haklarının veya imtiyazlı payların %5’inden fazlasına birlikte veya tek başına sahip olunmadığımı ya da önemli nitelikte ticari ilişkinin kurulmadığımı,

Son beş yıl içerisinde, başta Şirket’in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket’in önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

Bağımsız Yönetim Kurulu Üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

Kamu kurum ve kuruluşlarında, tam zamanlı çalışmadığımı,

31.12.1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu’na göre Türkiye’de yerleşmiş sayıldığımı,

Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi

Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

Yönetim Kurulu Üyesi seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine beyan ederim.

CENGİZ SOLAKOĞLU



BAĞIMSIZLIK BEYANI

Bizim Toptan Satış Mağazaları Anonim Şirketi ("Şirket") Yönetim Kurulu'nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu'nun 3 Ocak 2014 tarihli ve 28871 sayılı Resmî Gazete'de yayımlanarak yürürlüğe giren Kurumsal Yönetim Tebliği (II-17.1)'nde belirtilen Kurumsal Yönetim İlkeleri'nde belirlenen kriterler kapsamında, 24 Nisan 2017 tarihli Olağan Genel Kurul Toplantısı'nda "bağımsız üye" sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran ve şirkette önemli derecede etki sahibi olan ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında, son beş yıl içinde, önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisi bulunmadığımı, sermaye veya oy haklarının veya imtiyazlı payların %5'inden fazlasına birlikte veya tek başına sahip olunmadığımı ya da önemli nitelikte ticari ilişkinin kurulmadığımı,

Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

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Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi

Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

Yönetim Kurulu Üyesi seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine beyan ederim.


FATMA FÜSÜN AKKALE BZOK

BAĞIMSIZLIK BEYANI

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Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,

Bağımsız Yönetim Kurulu Üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

Kamu kurum ve kuruluşlarında, tam zamanlı çalışmadığımı,

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Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi

Şirketin yönetim kurulunda son on yıl içinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,

Şirketin veya Şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

Yönetim Kurulu Üyesi seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

Yönetim Kurulu, Genel Kurul, hissedarlarımız ve tüm menfaat sahiplerinin bilgisine beyan ederim.


BENOEVİ PALANDÖKEN

5.2. Governance Principles of the BoD

The BoD met 5 times and made 28 decisions between January and December 2018. Due consideration is given when scheduling the meeting to ensure participation from all Board Members. Average attendance rate of Board Members to the meetings was 87.5% in 2018.

In accordance with company AoA, the BoD convene when necessitated by the company business. It is required to send written notices, along with the meeting Agenda, to all members at least three calendar days prior to the meeting. Any Board Member may ask the Chairman or Vice Chairman of the Board of Directors to call for a meeting. In this case, the Chairman of the Board of Directors shall be obligated to do so.

In accordance with Article 390/4 of the TCC, BoD' resolutions can be passed without the requirement of a meeting with one more vote than half of the total number of members, provided that the written proposal made by one of the members has been submitted to each Board Member, and that none of the members request a meeting for the proposal.

BoD meetings can take place at the company's administrative headquarters or at a suitable location in a city where the company's administrative headquarters are located. With the agreement of the BoD it may be held in another city. Members of the BoD determine the assignment of duties among themselves.

Board Members are required to attend the meetings in person. The opinions of members who do not attend a meeting, but who send their opinions in writing, are submitted for the information of other members.

It is mandatory for the BoD' discussions and resolutions to be recorded in the meeting minutes and signed by the participants. Board Members who vote no are required to state their reasons and sign the meeting minutes. The BoD meets with participation of at least one more member than half of the total number of members and decisions are made by the majority of the votes of the attending members. In case of equality of votes, the discussion of the topic shall be moved to the next meeting agenda. If the majority is not reached in the second meeting, then the topic shall be considered as rejected. Each member of the BoD holds a single vote regardless of his/her position or duty.

Powers and responsibilities of the executives and the members of the BoD are clearly specified in the AoA which is available on the company website at www.bizimtoptan.com.tr and on the PDP.

While carrying out their responsibilities, the members of the Board Directors are provided with all the information necessary for them to fully perform their duties and act prudently and in good faith. No objection has been raised against any resolution adopted by the BoD during the meetings of the 2018 operating period.

Important decisions concerning issues requiring public disclosure were announced immediately after meetings.

Board of Directors

Full Name	Title	Positions Held Outside the Company
Cengiz Solakoğlu	Chairman	Board Member at Non-Group Companies
Mustafa Yaşar Serdengeçti	Vice Chairman	Board Member at Group Companies
Murat Ülker	Board Member	Chairman at Group Companies
Ali Ülker	Board Member	Board Member at Group Companies
Mahmut Levent Ünlü ¹	Board Member	Board Member at Group Companies
Erman Kalkandelen	Board Member	Board Member at Group Companies
Fatma Füsün Akkal Bozok	Independent Board Member	Board Member at Non-Group Companies
Bendevi Palandöken	Independent Board Member	President of the Confederation of Turkish Tradesmen and Craftsmen

¹ Mahmut Levent Ünlü represents Emap Ltd.

5.3. Number, Structure, and Independence of Committees Formed by the BoD

Under resolution number 24, the BoD adopted the below decisions unanimously on May 02, 2017. The resolution was reported to the PDP as a Material Event Disclosure on the same day. "The following decisions were passed upon review of our committees pursuant to the provisions of the Corporate Governance Communiqué No:II-14.1 ("Communiqué") of the Capital Markets Board ("CMB"):

- Cengiz Solakoğlu was elected unanimously as the Chairman of Audit Committee and Fatma Füsün Akkal Bozok was elected unanimously as the member of the Audit Committee.
- Cengiz Solakoğlu was elected unanimously as the Chairman of the Corporate Governance Committee, while Mahmut Levent Ünlü and Investor Relations Manager Işıl Bük were selected unanimously to serve in the Corporate Governance Committee.
- Fatma Füsün Akkal Bozok was elected unanimously as the Chairman of the Early Detection of Risks Committee. Erman Kalkandelen was also elected unanimously as the member of the Early Detection of Risks Committee

The Corporate Governance Committee was empowered to also perform the duties of both the Nomination Committee and the Compensation Committee. The Board also agreed to announce decisions to public.

The Audit Committee

The Audit Committee is responsible for ensuring that internal and independent audits are executed fully and transparently. It is responsible for carrying out the following duties:

- Conducting research on the selection of an independent auditing firm, and following its pre- approval, the presentation of the findings to the BoD.
- Auditing to ensure that the financial statements and their footnotes to be disclosed to the public are compliant with the legislation and international accounting standards; and approving them.
- Oversight of the operations and effectiveness of the company's accounting system, public disclosure of its financial information, independent audit and internal control systems.
- Reviewing and resolving complaints concerning the company's accounting, internal control system and independent auditing.
- The Audit Committee convenes at least every quarter upon the invitation by the Committee Chairman. The Committee may invite managers and internal or independent auditors to the meetings in order to obtain information. The chairman and members of the Audit Committee are elected from among independent board members.
- Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

•The Audit Committee met four times in 2018.

The following table shows the Audit Committee members as of 2018

Audit Committee Members

Full Name	Duty	Eligibility
Cengiz Solakoğlu	Chairman of the Audit Committee	Independent Board Member, Non-Executive
Fatma Füsün Akkal Bozok	Audit Committee Member	Independent Board Member, Non-Executive

The Corporate Governance Committee

The Corporate Governance Committee is responsible for compliance with the corporate governance principles of the company. It is principally responsible for examining to what extent these principles are applied. If they are not, it is responsible for determining the reasons and, after understanding the negative impacts that arise due to lack of complete implementation, taking the necessary measures for improvement. It is also responsible for providing support to the BoD by carrying out work regarding wages, rewards and performance evaluations, career planning, investor relations and issues of public disclosure.

The Corporate Governance Committee is comprised of at least two (2) members. If necessary, a person who is not a Board Member, but is a specialist in his/her field, may be appointed as a Corporate Governance Committee

member. At least one member of the Corporate Governance Committee is elected from among independent non-executive Board members. The Corporate Governance Committee meets at least once every three months. The Committee met four times in 2018. The following table shows the Corporate Governance Committee members as of 2018.

The Corporate Governance Committee also acts as and performs the duties of the Nomination Committee and the Compensation Committee per the BoD Resolution No. 27 on May 02, 2017.

Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

Corporate Governance Committee Members

Full Name	Title	Eligibility
Cengiz Solakoğlu	Chairman of the Corporate Governance Committee	Independent Board Member, Non-Executive
Mahmut Levent Ünlü	Corporate Governance Committee Member	Board Member, Non-Executive
Işıl Bük	Corporate Governance Committee Member	Investor Relations Manager

Early Detection of Risks Committee

The Early Detection of Risks Committee holds responsibility for: the early detection of risks that may cause danger to the existence, growth, and continuation of the company; for taking the necessary measures against these risks; and for working to manage the risks. The Committee reviews the risk management systems at least once a year. The Early Detection of Risks Committee

met six times in 2017. The following table shows the Early Detection of Risks Committee members as of 2018.

Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

Members of the Early Detection of Risks Committee

Full Name	Title	Eligibility
F. Füsün Akkal Bozok	Chairman of the Early Detection of Risks Committee	Independent Board Member, Non-Executive
Erman Kalkandelen	Early Detection of Risks Committee Member	Board Member, Non-Executive

5.4. Risk Management and Internal Control Mechanism

The Early Detection of Risks Committee carries out the company's risk management operations. In addition, the Internal Audit Department was formed to serve in our company. Our company is periodically audited by both the audit departments of Yıldız Holding A.Ş., our main partner, and an independent auditor. Their findings are presented to other Board Members, together with the members of the Audit Committee. Work flows, procedures and the powers and responsibilities of the employees are managed within the scope of risk management. They are regularly audited. There are no lawsuits filed against our Company, that would have significant impact on either the financial situation and activities of our Company or the activities carried out particularly within the scope of our Company's main field of activity.

5.5. Strategic Objectives of the Company

All companies affiliated with Yıldız Holding were founded with the belief that "no matter where in the world people live, they have the right to a happy childhood." Bizim Toptan's vision is to be Turkey's number one wholesaler in the fast-moving consumer goods industry, through its widespread, modern and trustworthy concept. Our mission is to be a strategic business partner that provides a competitive advantage to its customers and suppliers by reducing costs and risks. The vision and mission of Yıldız Holding and Bizim Toptan are disclosed to the public and are available on the company websites at www.yildizholding.com.tr, www.bizimtoptan.com.tr and www.biziminvestorrelations.com.

In 2018, Board of Directors met when required and tracked Company's performance very closely. Board of Directors continues to track the Company as well.

5.6. Material Rights

The wages of the members of the BoD are determined separately by the General Assembly based on the company's financial status. Wages of the independent board members were decided by the General Assembly dated April 24, 2017. Excluding the independent board members, the Company doesn't pay salary to other board members.

In 2018, total financial benefits offered to the Board Members and senior executives amounted to 5,109,516 Turkish lira. No loan was extended to any Board Member or executive during the period, nor any personal loan, collateral or bill of guarantee was given on their behalf directly or through a third party. The following is the Remuneration Policy, which establishes the remuneration principles of the BoD and senior executives, as presented to the shareholders at the General Assembly on May 29, 2012. The Remuneration Policy was published on the corporate website and the PDP. The Remuneration Policy intends to manage and implement the rights of the members of the BoD and the senior executives by taking into consideration the long-term targets and performance of the Company in accordance with the regulations of the Capital Market Law and the Turkish Commercial Code. The wages of Board Members are determined as monthly gross wages according to the opinions of the related committee and submitted to the approval of General Assembly. Independent Board Member remuneration shall be kept at a level so as to maintain their independent statuses. Share options or payment plans based on company performance may not be used as part of Independent Board Member remuneration. The salaries and benefits of senior executives are determined according to their duties within the company, as well as their responsibilities, experience levels, and performance indicators, whilst considering equivalent business conditions and company strategies/policies. The salaries and other benefits are declared to the public with the annual report. Beside monthly wages determined according to related policies, senior executives and Board members may also be provided additional benefits and paid performance-based premiums which will help improve their long-term performance. The remuneration policy for the BoD and executives, and the changes to this policy, are first approved by the BoD and then submitted for the information of the General Assembly, as well as being published on the corporate website.



Bizim Toptan Satış
Mağazaları A.Ş.

Convenience translation
into english of financial
statements as of

1 January - 31 December 2018
together with independent
auditor's report

(Originally Issued In Turkish)



INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Bizim Toptan Satış
Mağazaları A.Ş

A. Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Bizim Toptan Satış Mağazaları A.Ş. (the "Company"), which comprise the statement of financial position as at 31 December 2018 and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements and a summary of significant accounting policies and financial statement notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

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

Süleyman Seba Cad. BJK Plaza No:48 B Blok, Kat 9 34357 Akaretler Beşiktaş İstanbul

Tel: +90 212 326 6060 / Fax: +90 212 326 6050/ Mersis No: 0-1460-0224-10500015

www.pwc.com.tr

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment test of indefinite –useful life intangible assets As per the details which can be seen in note 10, the Company has indefinite useful life intangible assets amounted TRY 26.7 million from purchasing franchise agreements in past years. In accordance with TAS, these indefinite-life intangible assets should be tested for impairment annually.</p> <p>Reasons we emphasized this topic are as follows:</p> <ul style="list-style-type: none"> •Growth rate and discount rate estimations are included in the discounted cash flow prepared for the impairment test •The discounted cash flow includes a 5-year projection for purchased franchise rights • Franchise rights are material in the financial statements. 	<p>We assessed whether or not growth rates used are reasonable by comparing them to macroeconomic data. To check whether the discount rate is within an acceptable range, we compared the Company's data to the data of other companies in the same sector. We assessed the 5-year cash flow forecast for cash generated unit, which is the basis for work and produces cash, by comparing it to the cash-producing unit's financial performance in the past, and we questioned whether future period forecasts are realizable. We checked cash flow forecasts using 2018 audited financial statements and board of directors meeting presentations.</p> <p>Assessing management's sensitivity analysis for key assumptions,</p> <p>We checked the mathematical accuracy of the fair value calculation. We evaluated the adequacy of these disclosures for TAS' requirements.</p>

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and

whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2018 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on



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CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED STATEMENTS OF FINANCIAL POSITION (BALANCE SHEETS)
AT 31 DECEMBER 2018 AND 2017

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

ASSETS	Notes	Current Period 31 December 2018	Current Period 31 December 2017
Current Assets		663.654.681	529.099.633
Cash and Cash Equivalents	3	273.895.711	227.239.220
Trade Receivables		45.990.904	40.186.249
<i>Due from Related Parties</i>	5, 23	683.154	2.156.233
<i>Other Trade Receivables</i>	5	45.307.750	38.030.016
Other Receivables		55.401.483	2.609.448
<i>Other Receivables due from Related Parties</i>	6, 23, 24	55.078.537	2.467.979
<i>Other Receivables from Non-Related Parties</i>	6	322.946	141.469
Inventories	7	280.679.743	248.502.044
Prepaid Expenses	8	7.469.759	10.562.672
Current Income Tax Assets	21	217.081	-
Non-Current Assets		178.528.198	180.205.139
Trade Receivables		-	916.986
<i>Other Trade Receivables from Non-Related Parties</i>	5	-	916.986
Other Receivables		2.099.075	843.957
<i>Other Receivables from Non-Related Parties</i>	6	2.099.075	843.957
Tangible Assets	9	141.658.397	142.819.816
Intangible Assets	10	30.853.656	28.447.562
Deferred Tax Assets	21	-	3.523.215
Prepaid Expenses	8	3.917.070	3.653.603
TOTAL ASSETS		842.182.879	709.304.772

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

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED STATEMENTS OF FINANCIAL POSITION (BALANCE SHEETS)
AT 31 DECEMBER 2018 AND 2017

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

LIABILITIES	Notes	Current Period 31 December 2018	Prior Period 31 December 2017
Current Liabilities		690.151.060	574.875.510
Short Term Borrowings	4	6.476.006	9.115.640
Trade Payables		642.462.338	540.280.892
<i>Due to Related Parties</i>	5, 23	134.993.482	156.323.080
<i>Trade Payables to Non-Related Parties</i>	5	507.468.856	383.957.812
Liabilities for Employee Benefits	12	8.684.977	8.864.937
Deferred Revenue	8	1.247.960	493.114
Short Term Provisions		24.456.664	13.173.718
<i>Provision for Employee Benefits</i>	12	11.782.471	5.416.890
<i>Other Short Term Provisions</i>	11	12.674.193	7.756.828
Other Current Liabilities		6.823.115	2.947.209
<i>Other Current Liabilities to Related Parties</i>	13	117.178	14.000
<i>Other Current Liabilities to Non-Related Parties</i>	13	6.705.937	2.933.209
Non-Current Liabilities		28.181.818	28.643.604
Long Term Borrowings	4	9.265.087	15.918.484
Long Term Provisions		16.029.639	12.725.120
<i>Provision for Employee Benefits</i>	12	16.029.639	12.725.120
Deferred Tax Liabilities	21	1.827.205	-
Other Long Term Liabilities		1.059.887	-
SHAREHOLDERS' EQUITY		123.850.001	105.785.658
Share Capital	14	60.000.000	60.000.000
Advance of Capital		13.570.500	13.570.500
Treasury Shares		(13.533.492)	(13.533.492)
Other Comprehensive Income / Expense Not To Be Reclassified Subsequently to Profit or Loss		(11.684.670)	(8.111.518)
<i>Actuarial Losses</i>		(11.684.670)	(8.111.518)
<i>Defined benefit plans re-measurement Gains/(Losses)</i>		(11.684.670)	(8.111.518)
Restricted Reserves Appropriated from Profits	14	10.037.476	10.037.476
Retained Earnings	14	43.822.691	74.181.031
Net Profit for the Year	14	21.637.496	(30.358.339)
TOTAL LIABILITIES AND EQUITY	14	842.182.879	709.304.772

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

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2018 AND 2017

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

PROFIT OR LOSS	Notes	Current Period 1 January- 31 December 2018	Prior Period 1 January- 31 December 2017
Revenue	15	3.725.343.576	2.896.367.998
Cost of Sales (-)	15	(3.315.956.510)	(2.651.840.103)
GROSS PROFIT		409.387.066	244.527.895
Marketing, Sales and Distribution Expenses (-)	16, 17	(250.091.102)	(193.228.583)
General Administrative Expenses (-)	16, 17	(37.776.984)	(30.196.685)
Other Income from Operating Activities	18	19.854.750	12.146.482
Other Expenses from Operating Activities (-)	18	(111.019.776)	(64.708.653)
OPERATING PROFIT		30.353.954	(31.459.544)
Income from Investing Activities	19	48.376.471	15.538.794
Expense from Investing Activities (-)	19	(2.797.543)	(331.942)
PROFIT / (LOSS) BEFORE FINANCE EXPENSES		75.932.882	(16.252.692)
Financial Expenses (-)	20	(48.051.677)	(21.976.571)
PROFIT / (LOSS) BEFORE TAX		27.881.205	(38.229.263)
Tax Expense		(6.243.709)	7.870.924
Current Tax Expense	21	-	-
Deferred Tax Expense	21	(6.243.709)	7.870.924
NET PROFIT / (LOSS) FOR THE YEAR		21.637.496	(30.358.339)
Earning per share from continued operation			
Earnings / (Losses) per share (TL)	22	0,361	(0,514)
OTHER COMPREHENSIVE INCOME		(3.573.151)	(1.556.442)
Items not to be reclassified to profit or loss		(3.573.151)	(1.556.442)
Defined benefit plans re-measurement losses		(4.466.439)	(1.945.552)
Items not to be reclassified to profit or loss			
Taxes for other comprehensive income	21	893.288	389.110
Deferred tax income	21	893.288	389.110
TOTAL COMPREHENSIVE INCOME		18.064.345	(31.914.781)

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

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED STATEMENTS OF CHANGE IN EQUITY FOR THE PERIODS
1 JANUARY - 31 DECEMBER 2018 AND 2017

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

	Notes	"Share Capital"	Restricted Reserves Appropriated from Profits	Treasury Shares	Advance of Capital	Other Comprehensive Income / Expense not to be Reclassified to Profit or Loss	Retained Earnings		Total
						Revaluation and Re-measurement Gain/Loss	Actuaril Loss of Provision of Termination Indemnity	Retained Earnings	
Balance as of 1 January 2017		40.000.000	10.037.476	-	-		92.804.889	1.376.142	137.663.430
Increase of capital		-	-	-	-	(6.555.077)	-	-	-
Transfers	14	20.000.000	-	-	-	-	(18.623.858)	(1.376.142)	-
Total comprehensive income	14	-	-	-	-	-	-	(30.358.339)	(31.914.780)
Advance of capital (*)		-	-	-	13.570.500	(1.556.442)	-	-	13.570.500
Treasury shares (**)		-	-	(13.533.492)	-	-	-	-	(13.533.492)
Balance as of 31 December 2017		60.000.000	10.037.476	(13.533.492)	13.570.500	(8.111.518)	74.181.031	(30.358.339)	105.785.658
Balance as of 1 January 2018		60.000.000	10.037.476	(13.533.492)	13.570.500	(8.111.518)	74.181.031	(30.358.339)	105.785.658
Transfers	14	-	-	-	-	-	(30.358.339)	30.358.339	-
Total comprehensive income	14	-	-	-	-	(3.573.151)	-	21.637.496	18.064.345
Balance as of 31 December 2018		60.000.000	10.037.476	(13.533.492)	13.570.500	(11.684.670)	43.822.691	21.637.496	123.850.002

(*) As per the resolution of the Board of Directors dated February 3, 2017, the main shareholder Yıldız Holding A.Ş. provided capital advance for use in share repurchase.

(**) As of December 31, 2017, the Company has recovered 2.89% of its shares

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

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 31 DECEMBER 2018 AND 2017

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

	Notes	Current Period 31 December 2018	Prior Period 31 December 2017
CASH FLOWS FROM OPERATING ACTIVITIES		137.836.883	208.105.673
Net Profit for the period		21.637.496	(30.358.339)
Adjustments to reconcile net profit to net cash provided by operating			
- Adjustments for depreciation and amortisation expense	9, 10	26.616.634	20.486.584
- Adjustments related to provisions	11, 12	44.684.183	26.848.734
- Provision for impairment	5	4.590.647	3.316.683
- Gain on sale of fixed assets, net	19	2.060.787	(197.055)
- Adjustment for profit / (loss) reconciliation		10.499.744	1.244.358
- Other adjustments related to profit/(loss) reconciliation			
Interest income	19, 20	411.962	6.646.898
- Income tax expense	21	6.243.709	(7.870.924)
Changes in working capital		38.169.628	194.876.205
- Changes in trade receivables	5	(9.252.228)	58.863.843
- Changes in trade inventories	7	(32.177.699)	329.280
- (Increase) / decrease in other receivables and current assets		(445.181)	(4.082.731)
- Decrease in other non-current asset		2.074.600	715.196
- Changes in trade payables	5	71.351.870	134.736.942
- Increase / decrease in other payables and current liabilities		6.618.266	4.313.676
Cash generated from operating activities		154.914.790	214.993.144
-Income tax paid	21	(217.081)	2.054.352
-Employee benefits paid	12	(16.860.826)	(8.941.822)

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

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 31 DECEMBER 2018 AND 2017

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

		Current Period 31 December 2018	Prior Period 31 December 2017
	Notes		
CASH FLOWS FROM INVESTING ACTIVITIES		17.717.619	(30.321.295)
-Proceeds from sale of tangible and intangible assets	9,10,19	828.552	350.210
-Cash outflows of purchases of tangible and intangible assets	9,10,19	(30.750.648)	(46.001.178)
-Interest received	19	47.639.715	15.329.673
CASH FLOWS FROM FINANCING ACTIVITIES		(108.898.011)	(29.874.349)
-Cash inflows from bank borrowings (*)	6	(52.610.558)	-
-Cash outflows of payment borrowings due from		(8.235.776)	(7.897.778)
-Interest paid	20	(48.051.677)	(21.976.571)
-Dividens	14	-	-
NET(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		46.656.491	147.910.029
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3	227.239.220	79.329.191
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	273.895.711	227.239.220

(*) NOTE 24-(b) Management of Interest Rate Risk

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

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1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Bizim Toptan Satış Mağazaları A.Ş. (the "Company"), was established in 2001 and registered in Istanbul in accordance with Turkish Commercial Code. The headoffice of the Company is located in Kuşbakişı Cad. No.19 Altunizade-Üsküdar / İstanbul.

The main operation of the Company is to wholesale and retail fast moving consumer goods to catering companies, corporate customers, legal entities and persons who are tax payers, as well as retail outlets such as; small dealers, small markets, canteens.

The Company has 174 stores in 69 cities as of 31 December 2018 (31 December 2017: 176 stores in 69 cities). As of 31 December 2018, the number of personnel is 2,012 (31 December 2017: 1,855). The Company has 539 franchise shops as of 31 December 2018 (31 December 2017: 381)

The Company's ultimate parent and the party controls the Company is Yıldız Holding A.Ş. The shares of the Company are publicly traded on the İstanbul Stock Exchange Market (ISE) since 3 February 2011.

As of 31 December 2018 the names and percentages of the shareholders of the Company's share capital are as follows:

Shareholder's Title	Share Amount as of December 31, 2018	%	Share Amount as of December 31, 2017	%
Yıldız Holding A.Ş.	33.111.291	55,19	33.111.291	55,19
Emap Limited	5.616.920	9,36	5.616.920	9,36
Publicly Listed (other*)	21.271.790	35,45	21.271.790	35,45
Total Capital	60.000.000	100%	60.000.000	100%

(*) Based on Central Registry Agency data.

Approval of Financial Statements:

The financial statements have been presented for the approval of the Board of Directors and given authority to publish as of 27 February 2019. The General Assembly has the authority to amend/modify the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation:

Basis of the Preparation of the Financial Statements and Accounting Policies:

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations ("TAS/TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

Financial statements and its notes are also presented in accordance with the model requirements as announced by the CMB's statement issued on 7 June 2013.

Financial statements are prepared on the basis of historical cost principal. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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Determination of Functional Currency

Financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the entity is expressed in TRY, which is the functional and presentation currency of the Company.

Preparation of Financial Statements in Hyperinflationary Periods:

CMB, with its resolution dated 17 March 2005 and decree no 11/367 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards (TAS/IFRS applications, including those who adopt), effective 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying financial statements TAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied.

Offsetting:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and the liability simultaneously.

2.2 Changes in the Accounting Policies

Financial statements of the Company have been prepared comparatively with the prior year in order to give information about financial position and performance. The Company has not made any changes to its accounting policies in the current year.

2.3 Changes and Errors in Accounting Estimates

If the changes in the accounting policies are related to one period they are applied in the current year; if they are related with the future period they are applied both in the current period and future periods. The Company did not have any changes in the accounting estimates in the current year. Significant accounting errors are applied retrospectively and prior period financial statements are rearranged.

2.4 Application of New And Revised International Financial Reporting Standards (IFRSs)

Turkey Accounting Standards (TAS) or Turkey Financial Reporting Standards (IFRS) in the preparation of financial statements in compliance with standards changes in the footnotes and comments should be shown as follows:

a. Standards, amendments and interpretations applicable as of 31 December 2018:

Explanations on the effects of the new TAS / IFRS on the financial statements:

- a) Title of TAS / IFRS,
- b) the accounting policy change is made in accordance with the relevant transitional provisions;
- c) an explanation of the change in accounting policy,
- d) a description of the transitional provisions, if any,
- e) the effects of the transitional provisions, if any, for future periods,
- f) as far as possible, the correction amounts related to the current and presented previous periods:
 - i. submitted for each item of financial statements affected and
 - ii. If the Company applies 'TMS 33, Earnings per Share', the amount of ordinary shares and diluted earnings per share must be recalculated.
- g) the correction amounts for the periods before the submission period if possible and

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h) if retrospective application is not possible for any period or period, the events that cause this situation should be explained and the date of the change in accounting policy and how it is applied should be explained.

- **TFRS 9, 'Financial instruments'**; effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- **TFRS 15, 'Revenue from contracts with customers'**; effective from annual periods beginning on or after 1 January 2018. TFRS 15, 'Revenue from contracts with customers' is a converged standard from the TASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- **Amendment to TFRS 15, 'Revenue from contracts with customers'**, effective from annual periods beginning on or after 1 January 2018. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The TASB has also included additional practical expedients related to transition to the new revenue standard.

- **Amendments to TFRS 4, 'Insurance contracts' regarding the implementation of TFRS 9, 'Financial Instruments'**; effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:

- Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when TFRS 9 is applied before the new insurance contracts standard is issued; and

- Give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying TFRS 9 until 2021. The entities that defer the application of TFRS 9 will continue to apply the existing financial instruments standard TAS 39.

- **Amendment to TAS 40, 'Investment property'** relating to transfers of investment property; effective from annual periods beginning on or after 1 January 2018. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

- **Amendments to TFRS 2, 'Share based payments'** on clarifying how to account for certain types of share-based payment transactions; effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in TFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

- **Annual improvements 2014-2016**; effective from annual periods beginning on or after 1 January 2018. These amendments impact 2 standards:

- TFRS 1, 'First time adoption of TFRS', regarding the deletion of short-term exemptions for first-time adopters regarding TFRS 7, TAS 19 and TFRS 10,
- TAS 28, 'Investments in associates and joint venture' regarding measuring an associate or joint venture at fair value.

- **IFRIC 22, 'Foreign currency transactions and advance consideration'**; effective from annual periods beginning on or after 1 January 2018. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.

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b. Standards, amendments and interpretations that are issued but not effective as at 31 December 2018:

- **Amendment to TFRS 9, 'Financial instruments'**; effective from annual periods beginning on or after 1 January 2019. This amendment confirm that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from TAS 39.

- **Amendment to TAS 28, 'Investments in associates and joint venture'**; effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using TFRS 9.

- **TFRS 16, 'Leases'**; effective from annual periods beginning on or after 1 January 2019, with earlier application permitted if TFRS 15 'Revenue from Contracts with Customers' is also applied. This standard replaces the current guidance in TAS 17 and is a far-reaching change in accounting by lessees in particular. Under TAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). TFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. The TASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the TASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under TFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- **TFRS Comment 23, 'Uncertainty over income tax treatments'**; effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of TAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The TFRS IC had clarified previously that TAS 12, not TAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

- **TFRS 17, 'Insurance contracts'**; effective from annual periods beginning on or after 1 January 2021. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Annual improvements 2015-2017; effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

- TFRS 3, 'Business combinations', – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- TFRS 11, 'Joint arrangements', – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

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- TAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.
- TAS 23, 'Borrowing costs' – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Amendments to TAS 19, 'Employee benefits' on plan amendment, curtailment or settlement; effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling,

It is not expected to have an impact on the financial position and the performance of the Company.

Amendments to TAS 1 and TAS 8 on the definition of material; effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, 'Presentation of financial statements', and TAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other TFRSs:

- i) use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
- ii) clarify the explanation of the definition of material; and
- iii) incorporate some of the guidance in TAS 1 about immaterial information.

Amendments to TFRS 3 - definition of a business; effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the TASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

Type of Change; IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact; The Company expects to recognise right-of-use assets of approximately between TRY150 million TRY184 million on 1 January 2019, lease liabilities between TRY143 million and TRY175 million (after adjustments for prepayments and accrued lease payments recognised as of 31 December 2018). It is expected to have approximately between TRY43 million and TRY52 million of a current liability. The Company's activities as a lessor are not material and hence the Company does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Mandatory Application Date/ Company's Application Date; The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. All right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

2.5 Summary of Significant Accounting Policies

Inventories:

Inventories are valued at the lower of cost or net realizable value. Stocks are valued according to the first-in-first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs required to make the sale.

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When the net realizable value of the inventories falls below its cost, the inventories are reduced to their net realizable value and reflected to the profit or statement as an expense in the year in which the impairment occurs. In the event that the conditions that previously caused the inventories to be reduced to net realizable value have proved invalid or there is an increase in the net realizable value due to changing economic conditions, the provision for impairment is canceled.

The amount canceled is limited to the amount of the impairment beforehand.

Revenues from the suppliers, turnover premiums and discounts received from sellers are recognized on an accrual basis in the period in which the sellers benefit from the services and deducted from the cost of goods sold.

Tangible Assets:

Property, plant and equipment are carried at amortized cost less accumulated depreciation and accumulated impairment losses for the items purchased before January 1, 2005 for the items purchased in 2005 and after the cost adjusted for inflation.

Except for land and construction in progress, cost of tangible assets are depreciated on a straight-line basis over their estimated useful lives. Fixed assets acquired through financial leasing are depreciated on a straight-line basis over their estimated useful lives or longer than the period specified in the agreement.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Special Costs

Private costs consist of permanent improvements to the stores that the Company expects to benefit from in the future. The Company recognizes the cost of acquisition by deducting the accumulated depreciation and any impairment, if any.

Leasing Transactions

The Company as lessor:

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. Direct initial costs incurred in the realization of the lease and negotiation are included in the cost of the leased asset and amortized on a straight-line basis over the lease term..

The Company as lessee:

Leases where a significant portion of the risks and rewards of ownership are retained by the lessee are classified as finance leases and other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are allocated as the primary payment for the financing expenses and the decrease in the lease obligation, and thus, it provides a constant rate of interest on the remaining balance of the liability. Financial expenses are recorded in the profit or loss statement except for the capitalized portion of the financing expenses in accordance with the general borrowing policy detailed above. Payments made for operating leases (incentives received or to be received in order to be able to perform leasing from the lessor are recorded in the income statement on a straight-line basis over the period of the lease) are recognized in the statement of profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognized as an expense in the period in which they are incurred. Information on operating leases of the Company is given in Note 11.

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Intangible Assets:

Intangible assets are carried at amortized cost and are amortized on a straight-line basis at 31 December 2004 for items purchased before January 1, 2005, less any amortization costs and permanent impairment losses for items acquired during and after 2005. The estimated useful life and amortization method are reviewed at the end of each annual reporting period and the changes in the estimates are accounted for on a prospective basis.

Franchise Rights and Trademarks

The net cash flows that are expected to be provided to the company, including the brands, are not calculated due to the fact that it cannot be foreseen how long they can use them as a result of the analyzes. Therefore, these assets are not depreciated, but annual impairment test is applied.

Impairment of Assets:

Assets with unlimited life are not subject to redemption. An impairment test is performed annually for these assets. For assets that are subject to amortization, impairment test shall be performed if there is a situation or events in which it is not possible to recover the book value. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, the assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowing Costs:

In the case of assets (qualifying assets) requiring considerable time to be ready for use and sale, the borrowing costs directly associated with the acquisition, construction or production are included in the cost of the asset until the asset is ready for use or sale.

Borrowing costs are recognized in profit or loss in the period in which they are incurred. TAS 23 (Revised), "Borrowing costs", there is no scope of a company's borrowing costs should be capitalized.

Financial Instruments:

Revenue

The Company adopted TFRS 15 "Revenue From Contracts with Customers" from 1 January 2018 which proposes a five step model framework mentioned below for recognizing the revenue.

- Identification of customer contracts,
- Identification of performance obligations
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.

The Company evaluates each contracted obligation separately and respective obligations, committed to deliver the distinct goods or perform services, are determined as separate performance obligations. The Company determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Company transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation. When a performance obligation is satisfied by transferring promised goods or services to a customer, the Company recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers. Following indicators are considered while evaluating the transfer of control of the goods and services, a) presence of The Company's collection

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right of the consideration for the goods or services, b) customer's ownership of the legal title on goods or services, c) physical transfer of the goods or services, d) customer's ownership of significant risks and rewards related to the goods or services, e) customer's acceptance of goods or services. If the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted.

On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

Financial assets:

Classification and measurement: Company classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Company's financial assets carried at amortized cost comprise "trade receivables", "other receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified, as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty

Impairment: Company has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if no provision provided to the trade receivables because of a specific events, Company measures expected credit loss from these receivables by the lifetime expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Company and its expectation based on the macroeconomic indications.

Cash and cash equivalents

Cash and cash equivalents are cash items, demand deposits and other short-term investments with a high liquidity of less than 3 months or less than 3 months from the date of purchase, which are immediately convertible to cash and do not carry a significant risk of change in value.

Trade Receivables

Trade receivables that are created by the Company by way of providing goods or services directly to a debtor are shown as offsetted deferred financial income. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. A doubtful receivable provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay in the future collection are included under objective evidences. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

Also, Company has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Company measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Company and its expectations for the future indications.

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Financial liabilities:

The Company's financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The contract representing the right in the assets of the Company after deducting all of its liabilities is an equity-based financial instrument. The accounting policies applied for certain financial liabilities and equity instruments are as follows.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognized at fair value and revalued at their fair value at the balance sheet date. Changes in fair values are recognized in profit or loss. The net gain or loss recognized in the statement of profit or loss includes the interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including financial liabilities, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Effective interest rate; it is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, where appropriate, a shorter period of time to the net present value of the financial liability.

Effects of Exchange Rate Change:

The Company's financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the entity are expressed in Turkish Lira (TRY), which is the functional currency of the Company and the presentation currency for the financial statements.

During the preparation of the financial statements of the Company, transactions in foreign currencies (currencies other than TRY) are recorded on the basis of exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value is determined. Non-monetary items measured in terms of historical cost in a foreign currency are not subject to re-translation.

Foreign exchange differences are recognized in profit or loss in the period in which they arise:

- Exchange rate differences related to interest costs on foreign currency denominated liabilities related to future assets, which are included in the cost of such assets,
- Foreign exchange differences arising from transactions carried out to provide financial protection against risks arising from foreign currency.

Basic earnings per share

It is calculated by restating the profit share items in ordinary shares issued during the year and by dividing the share of the equity from the equity by the weighted average number of ordinary shares existing during the financial year. At the same time, the increase in the number of internal resources and capital increases the replay of the previous year's calculation.

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Events After the Reporting Period:

Events after the reporting period; This standard covers all events between the balance sheet date and the date on which the balance sheet is authorized for issue, even if any announcement or other financial information related to the period profit has been disclosed to the public. The Company adjusts its financial statements if such subsequent events arise that require an adjustment to the financial statements.

Provisions Contingent Assets and Liabilities:

Provisions

Provisions are set when the Company has a statutory or contractual obligation as a result of past events and a future outflow of resources for the purpose of fulfilling this obligation is also available and the amount payable is reliably estimated (Note 11).

Contingent assets and liabilities

Liabilities and assets arising from past events that may be confirmed by the occurrence of one or more uncertain future events that are not under the full control of the entity are not included in the financial statements and are considered as contingent liabilities and assets (Note 11).

Related Parties:

Related parties are the person or entity associated with the entity that is preparing the financial statements (the reporting entity).

a) A person or a member of his or her close family shall be considered to be associated with the reporting entity if:

in case of control or joint control over the reporting entity,
has a significant impact on the reporting entity,
is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

Revenue from the sale of goods is recognized when all of the following conditions are fulfilled:

b) If any of the following conditions exist, the entity is considered to be associated with the reporting entity:

- If the entity and the reporting entity are members of the same group (ie, each parent company, subsidiary and other subsidiary are associated with others).
- The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- If one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- In the event that the entity has a post-employment benefit plan for the employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself has such a plan, the sponsoring employers are also associated with the reporting entity.
- If the entity is controlled or jointly controlled by a person identified in (a).
- That a person identified in point (i) of the Article has significant influence on the entity or is a member of the key management personnel of that entity (or the parent company of that entity).

The transaction with the related party is the transfer of resources, services or obligations between the reporting entity and the related party, regardless of whether a price is charged or not.

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Taxes on Corporate Income:

Current tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss as it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date..

Deferred Tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and not affecting both commercial and financial profit or loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Company is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Current and deferred tax for the period

Deferred tax, income or expense in the statement of deferred tax, profit or loss for the period other than those directly attributable to debt or liability in equity (in which case deferred tax is also recognized directly in equity) or resulting from initial recognition of business combinations is accounted for. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

Employee Benefits:

Severance compensation:

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. Such payments are considered as being part of defined retirement benefit plan in accordance with TAS 19 as Employee Benefits. (TAS 19).

The retirement benefit obligation recognized in the balance sheet is calculated based on the net present value of the

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liability amounts expected to arise in the future due to the retirement of all employees and reflected in the financial statements. All actuarial gains and losses are recognized in other comprehensive income.

Cash Flow Statement:

In the statement of cash flows, cash flows are classified according to operating, investment and financing activities.

Cash flows from operating activities reflect cash flows from wholesale operations of the Company.

Cash flows related to investment activities indicate the cash flows that the Company uses and acquires in its investment activities (fixed investments and financial investments).

Cash flows from financing activities represent the resources used by the Company in financing activities and the repayments of these resources.

Cash and cash equivalents and other short-term investments with maturities of less than 3 months or less than 3 months from the date of purchase and which are immediately convertible to cash and do not carry a significant risk of change in value.

Capital and Dividends:

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as dividends payable by deducting from retained earnings in the period in which they are decided to distribute dividends.

Retrieved shares

The amount of the Company's share of undiscounted shares is deducted from retained earnings and presented under a separate line in the statement of financial position under equity.

The company may have the right to resell such shares in accordance with the legal regulations to which the Company is affiliated.

2.6 Significant Accounting Reviews, Estimates and Assumptions:

Estimates and assumptions carried out by the Company when applying accounting policies

In the process of applying the accounting policies specified in Note 2.5, management made the following comments, which had a significant impact on the amounts recognized in the financial statements:

Impairment of franchise rights:

In order to increase the penetration in the market channel within the framework of our growth strategies, our Company acquired franchising contracts for 196 franchising stores operating under Şok Marketler Ticaret A.Ş. Fixed assets belonging to Şok Marketler Ticaret A.Ş., which is located in Franchising stores, were purchased and for all these purchases. TRY27.000.000 goodwill + TRY3.000.000 fixed assets paid a total of TRY30.000.000 + VAT.

It cannot be calculated because the estimated life expectancy of intangible assets, franchise rights and the net cash flows likely to be provided to the company cannot be estimated for how long they can use as a result of the analyzes. Therefore, these assets are not depreciated, but annual impairment test will be performed.

Reduced cash flow method is used in the determination of the impairment of franchise rights with unlimited life. In the discounted cash flow study, the 5-year business plan was prepared by the company management as followed during the

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management by the company management and the discount rate and the growth rate of 6,9% in the range of 19,2- 37,1% were used in the valuation for 5 years. Sensitivity analysis is also given below.

Sensitivity analysis of the variables used in the valuation study of franchise rights is as follows;

31 December 2018				
	Discount rate	Discount rate 1% Change +/- (TRY000)	Final growth rate	Final growth rate 1% Change +/- (TRY000)
Franchise Rights	19,2%-37,1%	(1.871)/1.790	6,9%	(3.249)/3.824

31 December 2017				
	Discount rate	Discount rate 1% Change +/- (TRY000)	Final growth rate	Final growth rate 1% Change +/- (TRY000)
Franchise Rights	16%	(4.194)/5.102	5,2%	(4.101)/4.932

3. CASH AND CASH EQUIVALENTS

	31 December 2018	31 December 2017
Cash on hand	8.626.592	10.961.873
Demand deposits	265.269.119	216.277.347
	273.895.711	227.239.220

4. FINANCIAL LIABILITIES

Financial leasing borrowings	31 December 2018	31 December 2017
To be paid within 1 year	8.319.128	12.029.856
To be paid within 2-4 years	10.402.872	18.899.401
Present value of finance charges	(2.980.907)	(5.895.133)
Present value of finance lease obligations	15.741.093	25.034.124
Amounts due to settlement within 12 months	6.476.006	9.115.640
Amounts due for settlement after 12 months	9.265.087	15.918.484

Financial leasing is related to the machine and equipment with the lease term of 4 years. The Company has the option of purchase on the machine and the equipment with lease period of 4 years. The liabilities of the Company is assured with the property right of the lessee on leased asset.

As of balance sheet date, net book value of the assets subjecting to the financial leasing is TRY26.656.948 (31 December 2017: TRY31.888.884).

As of contract dates, interest rates of financial leasing transactions are fixed for the entire leasing period. Average effective rate of contracts are 13.90% per annum (31 December 2017:13.90%).

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5. TRADE RECEIVABLES AND PAYABLES

	31 December 2018	31 December 2017
Credit card receivables	3.731.790	4.031.914
Trade receivables	54.505.254	42.980.574
Notes receivable	250.525	360.422
Allowance for doubtful receivables (-)	(13.179.819)	(9.342.894)
	45.307.750	38.030.016

	31 December 2018	31 December 2017
Trade receivables from related parties (Note 23)	683.154	2.156.233
Total current trade receivables	45.990.904	40.186.249

	31 December 2018	31 December 2017
Guarantee letters	-	916.986
Total long term trade receivables	-	916.986

Daily amount have been recognized in cash and cash equivalents because credit card balance convert into cash after 1 day except Company's special customer's Bizim Profesional Card which has 50 maturity date

As of 31 December 2018, the average period for the sale of goods is 4 days (31 December 2017: 8 days).

Trade receivables are carried at amortized cost and are calculated over discount rate of 18.9% (31 December 2017: 13.5%). The allowance for trade receivables is provided based on the estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

The movement of the allowance for doubtful receivables as of 31 December 2018 and 31 December 2017 are as follows:

Movement of allowance for doubtful receivables	31 December 2018	31 December 2017
Balance at beginning of the year	(9.342.894)	(6.176.952)
Current period charge	(4.590.647)	(3.316.683)
Amounts recovered during the year	753.722	150.741
Closing balance	(13.179.819)	(9.342.894)

	31 December 2018	31 December 2017
Trade payables	507.468.856	383.957.812
Trade payables to related parties (Note 24)	134.993.482	156.323.080
Total current trade payables	642.462.338	540.280.892

Average payment period for trade payables varies depending on the sector and suppliers. As of 31 December 2018, the average payment period, although varies as per the product categories is 59 days (31 December 2017: 56 days).

Trade payables are carried at amortized cost and are calculated over discount rate of 18.9% (31 December 2017: 13.5%).

Qualification and level of risks on trade receivables and trade payables explained in Note 24.

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6. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Short term other receivables	31 December 2018	31 December 2017
Other receivables from related parties (Note 23)	55.078.537	2.467.979
Receivables from personnel	16.328	129.699
Other sundry receivables	306.618	11.770
	55.401.483	2.609.448

Long term other receivables	31 December 2018	31 December 2017
Deposits and quarantees given	2.099.075	601.553
Other receivables	-	242.404
	2.099.075	843.957

7. INVENTORIES

The details of inventories is as follows:

	31 December 2018	31 December 2017
Traded goods	282.186.322	248.416.166
Provisions for inventories(*)	(2.880.288)	(1.100.000)
Other inventory	1.373.709	1.185.878
	280.679.743	248.502.044

(*) Inventories are valued with their cost values and as of December 31, 2018, an amount of TRY2,88 million has been reserved for inventory impairment. (31 December 2017: TRY1,1 million)

8. PREPAID EXPENSES AND DEFERRED INCOMES

a) Prepaid Expenses

Short-Term Prepaid Expenses	31 December 2018	31 December 2017
Prepaid expenses for rent	5.140.880	4.114.209
Prepaid expenses for insurance	1.518.443	1.071.201
Other prepaid expenses	41.105	12.470
Advances given for inventories	769.331	5.364.793
	7.469.759	10.562.672

Long-Term Prepaid Expenses	31 December 2018	31 December 2017
Prepaid expenses	3.917.070	3.653.603
	3.917.070	3.653.603

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b) Deferred Revenue

Deferred Revenue	31 December 2018	31 December 2017
Advances received	794.685	493.114
Other prepaid revenue	453.275	-
	1.247.960	493.114

9. TANGIBLE ASSETS

Movements of tangible assets between 1 January 2018 and 31 December 2018 are as follows:

Cost Value	Furniture and Fixture	Other Tangible Fixed Assets	Leasehold Improvements	Total
Opening balance as of 1 January 2018	127.075.727	19.344.958	124.439.301	270.859.986
Additions	8.986.868	6.310.845	11.865.625	27.163.338
Disposals	(1.902.755)	(79.952)	(4.950.198)	(6.932.904)
Closing balance as of 31 December 2018	134.159.840	25.575.852	131.354.728	291.090.420

Accumulated Depreciation				
Opening balance as of 1 January 2018	(73.800.918)	(7.495.441)	(46.743.811)	(128.040.170)
Charge for the period	(13.808.932)	(2.587.923)	(9.038.563)	(25.435.418)
Disposals	1.739.102	20.129	2.284.334	4.043.565
Closing balance as of 31 December 2018	(85.870.748)	(10.063.235)	(53.498.040)	(149.432.023)
Net book value as of 31 December 2018	48.289.092	15.512.616	77.856.689	141.658.397

Depreciation expense of TRY23.944.729 has been charged in marketing sales and, distribution expenses and TRY2.671.905 in general administrative expenses.

There are no pledges or any other restrictions over tangible assets.

As of 1 January 2018 - 31 December 2018, there are no property, plant and equipment by financial lease.

Movements of tangible assets between 1 January 2017 and 31 December 2017 are as follows:

Cost Value	Furniture and Fixture	Other Tangible Fixed Assets	Leasehold Improvements	Total
Opening balance as of 1 January 2017	100.611.018	11.530.886	101.326.112	213.468.016
Additions	27.931.949	7.814.072	23.113.189	58.859.210
Disposals	(1.467.240)	-	-	(1.467.240)
Closing balance as of 31 December 2017	127.075.727	19.344.958	124.439.301	270.859.986

Accumulated Depreciation				
Opening balance as of 1 January 2017	(64.273.575)	(5.925.905)	(39.184.162)	(109.383.642)
Charge for the period	(10.841.428)	(1.569.536)	(7.559.649)	(19.970.613)
Disposals	1.314.085	-	-	1.314.085
Closing balance as of 31 December 2017	(73.800.918)	(7.495.441)	(46.743.811)	(128.040.170)
Net book value as of 31 December 2017	53.274.809	11.849.517	77.695.490	142.819.816

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Depreciation expense of TRY19.354.626 has been charged in marketing sales and, distribution expenses and TRY1.131.958 in general administrative expenses.

There is TRY15.579.086 of tangible assets acquired by finance lease between 1 January 2017 to 31 December 2017.

There are no pledges or any other restrictions over tangible assets.

The useful lives of tangible assets are as follows:

	Useful Life
Furniture and Fixture	2-50 years
Other Tangible Fixed Assets	2-7 years

10. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2018 - 31 December 2018 are as follows:

Cost Value	Franchising Rights	Rights	Total
Opening balance as of 1 January 2018	26.724.490	3.441.482	30.165.972
Additions	-	3.587.310	3.587.310
Closing balance as of 31 December 2018	26.724.490	7.028.792	33.753.282

Accumulated Amortization			
Opening balance as of 1 January 2018	-	(1.718.410)	(1.718.410)
Charge of the period	-	(1.181.216)	(1.181.216)
Closing balance as of 31 December 2018	-	(2.899.626)	(2.899.626)
Carrying value as of 31 December 2018	26.724.490	4.129.166	30.853.656

For intangible assets which have indefinite useful time, including brands, probable net cash flows cannot be calculated hence it cannot be predicted economic life of the asset with the analysis. Therefore, these assets are not amortised but the assets are tested for impairment test annually.

Discounted cash flow method has been used for the impairment calculations on franchise rights with unlimited lifespans. In the discounted cash flow study, a 5-year business plan has been prepared by the relevant management, 37.1% in 2019, 27.9% in 2020, 24.6% in 2021, 23.6% in 2022 and 2023 in 2022. 23.5% discount rate and 6.9% growth rate were used.

As a result of the impairment analysis on franchise rights with the details listed above, no impairments have been found as of 31 December 2018 (31 December 2017: None.)

All of the amortization expense has been charged in general administrative expenses.

Movements of intangible assets between 1 January 2017 - 31 December 2017 are as follows:

Cost Value	Franchising Rights	Rights	Total
Opening balance as of 1 January 2017	26.724.490	2.099.765	28.824.255
Additions	-	1.341.717	1.341.717
Closing balance as of 31 December 2017	26.724.490	3.441.482	30.165.972

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Accumulated Amortization			
Opening balance as of 1 January 2017	-	(1.202.439)	(1.202.439)
Charge of the period	-	(515.971)	(515.971)
Closing balance as of 31 December 2017	-	(1.718.410)	(1.718.410)
Carrying value as of 31 December 2017	26.724.490	1.723.072	28.447.562

Intangible assets are depreciated straight line in accordance with useful life.

	Useful Life
Rights.....	3-5 years
Franchising rights	Unrestricted

11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS AND OBLIGATIONS

Current provisions	31 December 2018	31 December 2017
Provision for lawsuits	7.744.091	3.290.053
Provision for risky shops (*)	2.907.803	3.158.000
Provision for sales activities (**)	1.778.246	1.110.017
Other provisions (***)	244.053	198.758
	12.674.193	7.756.828

(*) Risky Store Provisions consist of provisions that are set aside by the store special costs due to possible risks that may arise from the company's store closing or moving decisions.

(**) Activity reserves consist of the monetary point campaign applications that the Company organized in order to support the sales in the current period.

(***) Other provisions are made on the non-invoiced expenses of the Company in the current period.

The movement of the legal case provision for the years ended 31 December 2018 and 31 December 2017 are as follows:

Movement of Lawsuit Provision	1 January - 31 December 2018	1 January - 31 December 2017
Balance at beginning of the period	3.290.053	793.053
Current period charge	4.454.038	2.497.000
Closing balance	7.744.091	3.290.053

(*) As of December 31, 2018 and December 31, 2017, a significant portion of the litigation provisions consist of the lawsuits filed by the dismissed personnel. Increased work contract termination after the change of management and additional cases brought against the increase in the number of counterparties.

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a) Deposits and Guarantees Given

Deposits and Guarantees Given	31 December 2018			31 December 2017		
	TRY Equivalent	TRY	USD	TRY Equivalent	TRY	USD
A. Total guarantees pledges and liens ("GPL") given in the legal name of the Company	-	-	-	171.987.020	171.647.549	90.000
Guarantee	-	-	-	171.987.020	171.647.549	90.000
Pledge	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-
B. Total GPL given in the name of fully consolidated companies	-	-	-	-	-	-
C. Total GPL given to manage trading operations of entity in the name of 3rd parties	-	-	-	-	-	-
D. Total - Other GPL given						
i. Total GPL given in the name of the parent	127.968.734	75.212.429	10.028.000	-	-	-
ii. Total GPL given in the name of other Group Companies not included in article B and C	-	-	-	-	-	-
iii. Total GPL given in the name of 3rd parties not included in article C	-	-	-	-	-	-
Total commitment & contingencies	127.968.734	75.212.429	10.028.000	171.987.020	171.647.549	90.000

(*) On 12 April 2018, Yıldız Holding and some of its group companies, including the Company, entered into a syndicated loan agreement with some of the lenders of Yıldız Holding and group companies. The syndication loan process was signed on May 11, 2018. The Company has no total cash loans covered by this scope and the non-cash loans are USD10,028,000 + TRY 75,212,429. There was no increase in the Company's total debt burden due to the syndication loan; only non-cash risks Yıldız Holding A.Ş. . At the same time, with respect to the Company itself, the non-cash loan transferred to Yıldız Holding A.Ş. has been a guarantor to Yıldız Holding A.Ş. No pledge or collateral has been established on the Company's assets (immovables, subsidiary shares, etc.). The syndication loan will result in the payment of guarantees during the term of the contract and will not result in any limitation or commitment that could negatively affect the Company's operations in the contract.

b) Lawsuits Filed by and Against to the Company

Lawsuits filed by the Company:

	31 December 2018	31 December 2017
Compensation suits (*)	4.591.134	1.689.115
Enforcement suits (*)	3.152.957	1.600.938
	7.744.091	3.290.053

(*) There are various lawsuits filed against the Company in favor of the Company. The Company management evaluates the financial impact of the possible consequences of the cases at the end of each period and as a result, the required provisions are set aside against the liabilities.

Total amount of legal cases filed against the Company is TRY7.744.091 as 31 December 2018 (31 December 2017: TRY3.290.053). Provision has been provided for all court cases filed against the Company.

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c) Operational Lease Agreements

The operating leases of the Company are vary between 5-20 years period. Operating leases, by giving prior notice to lessor can be cancelled by the lessee and the lessee has committed to pay the amount of rental will take place only during the period of notice. All operational leasing agreements include a clause allowing the re-arrangement of the terms of the lease had the lessee renewed the contract under the current market conditions. The lessee does not have a right to purchase the asset at the end of the term.

The future minimum lease payments under operating leases when the lessee cancel the operational lease agreements and not uses the notification period is as follows:

	31 December 2018	31 December 2017
Within 6 months(*)	13.432.976	13.654.749
Within 6 months - 2 years	715.374	672.597
Within 2-3 years	-	309.672
Within 4-5 years	-	796.380
	14.148.350	15.433.397

(*) Within the period specified in 6 months as the obligation to undertake the lease; is a reasonable time to be used for carriage, closure and legal procedures. Therefore, the figure which is considered as a liability here is not a risk for the company.

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12. SHORT AND LONG TERM EMPLOYEE BENEFITS

Short term provisions	31 December 2018	31 December 2017
Due to personnel	10.832.376	4.550.066
Unused vacation provision	950.095	866.824
	11.782.471	5.416.890

Payables to employee benefits	31 December 2018	31 December 2017
Social security premiums payable	2.176.542	4.570.422
Due to personnel	5.240.348	2.786.257
Taxes and funds payable	1.268.087	1.508.258
	8.684.977	8.864.937

Long term provisions	31 December 2018	31 December 2017
Provision for employment termination benefits	13.179.354	10.309.067
Provision for unused vacation	2.850.285	2.416.053
	16.029.639	12.725.120

The company, according to the Turkish Business Laws, is required to provide an employee termination benefit to any worker who has worked for a minimum of one year and completed has retired after their 25th year of working (58 for females, 60 for males), terminated employees, employees that are drafted to the military or employees that have passed away.

The amount payable consists of one month's salary limited to a maximum of TRY5.432,42 for each period of service at 31 December 2018 (31 December 2017: TRY4,732.48).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2018, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 9.69 % and a interest rate of 14,81%, resulting in a real discount rate of approximately 4.67% (31 December 2017: 4.50%). The maximum liability is revised semi annually. The basis considered in calculating the provisions is the amount of maximum liability of TRY6.017,60 which became effective as of 1 January 2019 (1 January 2018: TRY5.001,76).

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	1 January - 31 December 2018	1 January - 31 December 2017
Provision at 1 January	10.309.067	8.797.544
Service cost	2.403.786	1.258.050
Interest cost	469.822	1.038.990
Employment termination benefits paid	(4.469.760)	(2.731.069)
Actuarial gain/loss	4.466.439	1.945.552
Provision at 31 December	13.179.354	10.309.067

Movement of unused vacation provision is as follows:

	1 January - 31 December 2018	1 January - 31 December 2017
Provision at 1 January	3.282.877	2.905.719
Increase in the period	3.479.460	2.500.601
Used in the period	(2.961.957)	(2.123.443)
Provision at 31 December	3.800.380	3.282.877

Movement of performance premium provision is as follows:

	1 January - 31 December 2018	1 January - 31 December 2017
Provision at 1 January	4.550.066	2.034.273
Increase in the period	16.273.377	8.726.546
Paid in period	(12.391.067)	(6.210.753)
Provision at 31 December	8.432.376	4.550.066

13. OTHER ASSETS AND LIABILITIES

Other Current Liabilities	31 December 2018	31 December 2017
Taxes and funds payable	6.705.937	2.933.209
Other liabilities	117.178	14.000
	6.823.115	2.947.209

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14. SHAREHOLDERS EQUITY

The Company is subject to the registered capital system with registered share capital of TRY200,000,000.

The Company's paid-in share capital as of 31 December 2018 and 31 December 2017 as follows:

Name of the Shareholders	31 December 2018	Yüzde Oranı (%)	31 December 2017	Yüzde Oranı (%)
Yıldız Holding A.Ş.	33.111.291	55,2	33.111.291	55,2
Emap Limited	5.616.920	9,4	5.616.920	9,4
Public quotation	21.271.790	35,5	21.271.790	35,5
	60.000.000	100%	60.000.000	100%

(*) It is organized according to the shareholding structure published on PDP and Central Registry Agency data.

The total number of ordinary shares authorized is 60,000,000 shares (2017: 60,000,000 shares) with a par value of TRY1 per share.

Total of TRY16,000,000 Company shares at nominal value, consisting the Company's shareholders interests amounting to 14,000,000 at nominal value and additional sales rights, were offered to public and this transaction (no:6/62) has been registered in accordance with Article 4 of the Capital Market Board (the "CMB") on 21 January 2011. The Company's shares has been trading on the İstanbul Stock Exchange since 3 February 2011.

Restricted Reserves

	31 December 2018	31 December 2017
Legal reserves	10.037.476	10.037.476
	10.037.476	10.037.476

Restricted reserves comprise legal reserves.

Actuarial Loss Funds to Retirement Pay Provision

	31 December 2018	31 December 2017
1 January	(8.111.518)	(6.555.077)
Actuarial loss	(4.466.439)	(1.945.552)
Tax income related actuarial loss	893.288	389.110
31 December	(11.684.670)	(8.111.518)

Details of the retained earnings are as follows:

	31 December 2018	31 December 2017
Extraordinary reserves	36.459.367	36.459.367
Retained earnings	7.363.324	37.721.664
	43.822.691	74.181.031

The Board of Directors has decided to pay dividends for the year of 2018 at 27 February 2019, dividends pay need to be approvable by general assembly. (2017 : No dividends paid)

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15. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2018	1 January - 31 December 2017
Domestic sales	3.779.035.984	2.933.713.372
Tobacco	995.632.896	858.497.775
Non-Tobacco	2.783.403.088	2.075.215.597
Sales returns (-)	(6.738.088)	(5.675.635)
Sales discounts (-)	(46.954.320)	(31.669.739)
	3.725.343.576	2.896.367.998

b) Cost of Sales

	1 January - 31 December 2018	1 January - 31 December 2017
Cost of merchandises sold	(3.315.956.510)	(2.651.840.103)
Tobacco	(975.588.822)	(841.387.134)
Non-Tobacco	(2.340.367.688)	(1.810.452.969)

16. MARKETING, SELLING AND DISTRIBUTION AND GENERAL ADMINIS- TRATION EXPENSES

	1 January - 31 December 2018	1 January - 31 December 2017
Marketing, selling and distribution expenses (-)	(250.091.102)	(193.228.583)
General administrative expenses (-)	(37.776.984)	(30.196.685)
	(287.868.086)	(223.425.268)

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17. EXPENSES BY NATURE

The details of operating expenses are as follows:

The details of Marketing, Selling and Distribution Exp.	1 January - 31 December 2018	1 January - 31 December 2017
Personnel expenses	(110.127.763)	(83.176.173)
Rent expenses	(52.616.207)	(44.337.194)
Amortization expenses (Not 9)	(23.944.729)	(19.354.626)
Utility expenses	(20.801.644)	(14.091.043)
Logistics expenses	(9.045.467)	(6.734.744)
Outsourcing expenses	(7.008.435)	(5.891.811)
Advertising expenses	(8.523.727)	(4.674.571)
Maintenance expenses	(6.472.194)	(4.145.059)
Other	(11.550.937)	(10.823.361)
	(250.091.102)	(193.228.583)

The details of General Administrative Expenses	1 January - 31 December 2018	1 January - 31 December 2017
Personnel expenses	(21.861.186)	(18.297.537)
Consultancy and service expenses	(4.569.685)	(3.596.683)
Rent expenses	(2.377.585)	(1.856.968)
Outsourcing expenses	(1.621.069)	(1.772.627)
Supplementary expenses	(902.696)	(414.068)
Accountant expense	(705.563)	(678.671)
Amortization and depreciation expenses (Note 9, 10)	(2.671.906)	(1.131.958)
Other	(3.067.294)	(2.448.172)
	(37.776.984)	(30.196.685)

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18. OTHER OPERATING INCOME/EXPENSES

a) The detail of other income related to operating activities is as follows;

	1 January - 31 December 2018	1 January - 31 December 2017
Finance income from credit sales	18.451.299	11.665.922
Foreign exchange gains	348.892	120.308
Insurance compensation	42.489	25.106
Other income	1.012.070	335.146
	19.854.750	12.146.482

b) The detail of other expenses related to operating activities are as follows;

	1 January - 31 December 2018	1 January - 31 December 2017
Finance expense from credit purchase	(101.060.818)	(52.147.217)
Provision for lawsuits expenses	(4.454.038)	(2.497.000)
Foreign exchange losses	(325.872)	(36.816)
Provision for doubtful receivable expenses	(4.590.647)	(3.316.683)
Insurance provision(*)	293.055	(1.582.972)
Risky store provision(**)	250.197	(3.158.000)
Other expenses	(1.131.653)	(1.969.965)
	(111.019.776)	(64.708.653)

(*) Insurance provision exist because of the various loss that request form insurance, however in case of lawsuit supposed to be wait for insurance's payment. Company has provision for against that lawsuits are not concluded in support of company. Gain arised because the amount of insurance had been decreased in 2018.

(**) Risky store provision contain the special cost provision that possible risks from company's store about move and close down. It turns to gain because of risky store had been decreased in 2018.

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19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) The detail of income related to investing activities is as follows;

	1 January - 31 December 2018	1 January - 31 December 2017
Interest income from non-trade receivables (*)	46.669.153	15.329.673
Allowance for prepaid expenses	970.562	149.233
Profit on sale of tangible assets	736.756	59.888
	48.376.471	15.538.794

(*) Disclosure: NOTE 24-(b) Foreign currency risk management

b) The detail of expenses related to investing activities are as follows;

	1 January - 31 December 2018	1 January - 31 December 2017
Loss on leasehold improvements of closed and moved stores	(2.744.068)	(319.876)
Loss on sale of tangible assets	(53.475)	(12.066)
	(2.797.543)	(331.942)

20. FINANCIAL EXPENSES

	1 January - 31 December 2018	1 January - 31 December 2017
Interest on bank overdrafts and loans	(43.553.336)	(18.701.919)
Leasing interest expense	(2.895.531)	(2.203.786)
Interest expense for benefit obligations	(469.822)	(1.038.990)
Guarantee letter commission and other expenses	(1.132.988)	(31.876)
Total interest expense	(48.051.677)	(21.976.571)

(*) Disclosure: NOTE 24-(b) Foreign currency risk management

21. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The Company, accounts deferred tax assets and liabilities for temporary timing differences rooted from differences between legal financial statements and financial statements prepared in accordance with TFRS. Those differences in question are caused generally by the fact that some profit and loss accounts come up in different periods in legal financial statements and financial statements prepared in accordance with TFRS.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Law on the Amendment of Certain Tax Acts and Some Other Laws", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2018 are calculated with 22% tax rate for temporary differences which will be realized in 2019 and 2020 and with 20% tax for those which will be realized after 2021 and onwards, within materiality (2018: 20-22%).

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Deferred tax assets / (liabilities):	1 January - 31 December 2018	1 January - 31 December 2017
Restatement and depreciation/ amortization differences of property, plant and equipment and other intangible assets	11.911.071	10.483.342
Discount on trade receivables and payables	4.458.339	2.207.492
Allowable losses	(1.076.104)	(9.882.050)
Provision for employee termination benefits	(2.635.871)	(2.061.813)
Expense accruals	(7.027.526)	(2.605.014)
Provision for unpaid vacation	(760.076)	(721.953)
Provision for doubtful receivables	(220.000)	(220.000)
Provision for lawsuits	(1.703.700)	(723.812)
Discount of credit card receivables	15.015	(88.869)
Other	(1.133.943)	89.462
	1.827.205	(3.523.215)

Movement of deferred tax (asset)/ liabilities:	1 January - 31 December 2018	1 January - 31 December 2017
Opening balance at January 1	(3.523.215)	4.736.819
Charged to income statement	6.243.708	(7.870.924)
Charged to equity	(893.288)	(389.110)
Closing balance at 31 December	1.827.205	(3.523.215)

The Company is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

Corporate Tax

The Company is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 22% in 2018 (31 December 2017: 20%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. The companies with special accounting periods, file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for resident companies in Turkey which include this dividend income in their taxable profit for the related period and Turkish branches of foreign companies. The rate of income withholding tax was used 10% between 24 April 2003- 22 July 2006. This rate was changed to 15% with the Cabinet Decision code numbered 2006/10731 commencing from 22 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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As the Company did not use any investment incentives, the Company has used 22% corporate tax rate.

Provision for taxation as of 31 December 2018 and 31 December 2017 are as follows:

	1 January - 31 December 2018	1 January - 31 December 2017
Less: prepaid taxes and funds	(217.081)	-
Tax liability in the balance sheet	(217.081)	-

	1 January - 31 December 2018	1 January - 31 December 2017
Current tax charge	-	-
Deferred tax expense/ (income)	(6.243.709)	7.870.924
Tax charge	(6.243.709)	7.870.924

Reconciliation of taxation	1 January - 31 December 2018	1 January - 31 December 2017
Profit before tax	27.881.205	(38.229.263)
- Profit from operations	27.881.205	(38.229.263)
Calculated tax	(6.133.865)	7.645.853
- Profit from operations	(6.133.865)	7.645.853
Effect of different tax rates	305.189	698.700
- Non-deductible expenses	(415.033)	(473.629)
Tax charge	(6.243.709)	7.870.924

22. EARNINGS PER SHARE

A summary of the Company's weighted average number of shares outstanding for the years ended 31 December 2018 and 2017 and computation of earnings per share set out here as follows:

Basic earnings per share	1 January - 31 December 2018	1 January - 31 December 2017
Weighted average number of ordinary shares outstanding during the period (in full)	60.000.000	59.016.608
Net income for the period	21.637.496	(30.358.339)
Earnings per share (TL)	0,361	-(0,514)

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) The detail of receivables from related parties is as follows:

	31 December 2018	31 December 2017
Trade Receivables	683.154	2.156.233
Non-trade receivables	55.078.537	2.467.979
	55.761.691	4.624.212

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The detail of trade receivables is as follows:

	31 December 2018		31 December 2017	
	Trading	Non-trading	Trading	Non-trading
Balances with related parties				
Parent company				
Yıldız Holding A.Ş. (*)	7.323	55.078.537	-	2.467.979
Other related parties				
Adapazarı Şeker Fabrikası A.Ş.	5.785	-	-	-
Ak Alev Manyezit Levha Üretim San. Tic. A.Ş.	-	-	291	-
Aktül Kağıt Üretim Pazarlama A.Ş.	-	-	3.444	-
Atademir Gıda San ve Tic	1.396	-	-	-
Besler Gıda ve Kimya San.ve Tic. A.Ş.	17.054	-	28.731	-
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	2.452	-	4.334	-
Biskot Bisküvi Gıda San.ve Tic. A.Ş.	23.933	-	8.475	-
Continental Confectionery Company Gıda San.ve Tic.A.Ş.	7.213	-	6.592	-
DuruG2M Gıda Tarım ve Tic.	2.144	-	-	-
Eksper Tüketim Maddeleri Satış ve Paz.A.Ş.	-	-	820	-
G2M Dağıtım Paz.ve Tic.A.Ş.	35.268	-	-	-
Gözde Girişim Sermayesi Yat. Ortaklığı A.Ş.	1.020	-	-	-
Hüner Pazarlama ve Ticaret A.Ş.	118	-	-	-
İstanbul Gıda Dış Tic.A.Ş.	-	-	1.139	-
Karma Tarımsal Üretim ve Ticaret A.Ş.	-	-	6.575	-
Kellogg Med Gıda Ltd.Şti.	2.187	-	3.472	-
Kereviş Gıda San.ve Tic. A.Ş.	38.211	-	20.091	-
Kümaş Manyezit Sanayi A.Ş.	12.288	-	24.437	-
Makina Takım End.A.Ş.	11.264	-	8.404	-
Marsa Yağ San.ve Tic.A.Ş.	-	-	14.305	-
Mevsim Taze Meyve Sebze San.ve Tic.A.Ş.	11.526	-	2.204	-
Milhans Gıda ve Tarım Ürün.San. ve Tic.A.Ş.	50	-	50	-
Natura Gıda Sanayi ve Tic. A.Ş.	-	-	164.280	-
Odak Refrakter ve Madencilik Tic.A.Ş.	301	-	-	-
Önem Gıda San.ve Tic.A.Ş.	199	-	-	-
Nissin Yıldız Gıda San.ve Tic. A.Ş.	-	-	57	-
Örgen Gıda San.ve Tic. A.Ş.	-	-	889	-
Penta Teknoloji Ürünleri Dağ.Tic.A.Ş.	802	-	-	-
Polinas Plastik San. Tic. A.Ş.	238	-	-	-
Sağlam İnşaat Taahhüt Tic. A.Ş.	30.026	-	-	-
SCA Yıldız Kağıt ve Kişisel Bakım Ürt.A.Ş.	3.128	-	-	-
Toroslar Unlu Mamüller ve Fırıncılık A.Ş.	4.376	-	-	-
Ucz Mağazacılık Tic.A.Ş.	-	-	44.666	-
Ülker Ailesi ve Yönetim Kurulu Üyeleri	401.017	-	426.905	-
Ülker Bisküvi Sanayi A.Ş.	39.478	-	13.574	-
Ülker Çikolata Sanayi A.Ş.	22.805	-	1.372.498	-
Yeni Teközel Markalı Ürün	1.553	-	-	-
Other	-	-	-	-
	683.154	55.078.537	2.156.233	2.467.979

(*) NOTE 24-(b) Management of Interest Rate Risk

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b) The detail of purchases from and sales to related parties is as follows:

	31 December 2018	31 December 2017
Trade Payables	134.993.482	156.323.080
	134.993.482	156.323.080

Payables to related parties are arised from purchases and approximately matured in between 30 and 60 days.

The detail of trade payables is as follows:

	31 December 2018	31 December 2017
Balances with related parties	Trading	Trading
Parent company		
Yıldız Holding A.Ş.	-	1.621.772
Other related parties		
Adapazarı Şeker Fabrikası A.Ş.	688.253	30.975
Asil Hamur Undan Mamüller Gıda Sanayi ve Ticaret A.Ş.	150	152
Aytaç Gıda Yatırım Sanayi ve Ticaret A.Ş.	694.073	546.732
Azmüsebat Çelik San.ve Tic.A.Ş.	150.351	2.239.121
Bağetürk Gıda San. ve Tic.A.Ş.	-	115.083
Besler Gıda ve Kimya San.ve Tic. A.Ş.	1.818.232	1.402
Beta Marina Liman Yat ve Çekek İşletmeciliği A.Ş.	40.060	-
Çayırovası İnşaat Taahhüt Tic. A.Ş.	99.690	-
Dank Gıda San. ve Tic. A.Ş.	2.895	9.191
Donuk Fırıncılık Ürünleri Sanayi ve Ticaret A.Ş.	27.332	24.478
Egal Gıda Mad.San.Tic.A.Ş.	-	-
Eksper Tüketim Maddeleri Satış ve Paz.A.Ş.	474.142	1.101.814
Enfesler Gıda Pazarlama A.Ş.	-	4.450.894
G2M Dağıtım Paz.ve Tic.A.Ş.	72.361	260.808
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	94.326.627	185.443
Hüner Pazarlama ve Ticaret A.Ş.	23	23
İstanbul Gıda Dış Tic.A.Ş.	35.918	24.374
İzsal Gayrimenkul Geliştirme A.Ş.	77.278	2.602
Marsa Yağ San.ve Tic.A.Ş.	23.453	11.142
Natura Gıda Sanayi ve Tic. A.Ş.	75.718	-
Northstar Innovation A.Ş.	267	268
Nissin Yıldız Gıda San.ve Tic.A.Ş.	336	-
Önem Gıda San.ve Tic.A.Ş.	538.865	681.628
Pasifik Tüketim Ürünleri Satış ve Tic.A.Ş.	1.473.340	77.520.827
Penta Teknoloji Ürünleri Dağ.Tic.A.Ş.	12.242	212.293
Pervin Finansal Kiralama A.Ş.	-	-
PNS Pendik Nişasta Sanayi A.Ş.	982.431	1.060.436
Sağlam İnşaat Taahhüt Tic.A.Ş.	16.781	-
SCA Yıldız Kağıt ve Kişisel Bakım Ürt.A.Ş.	404.157	1.330.678
Şok Marketler Tic.A.Ş.	20.276.036	14.692.734
Teközel Gıda Temiz Sağlık Marka Hiz.San.ve Tic. A.Ş.	16.130	49.869.075
Unmaş Unlu Mamüller San.ve Tic. A.Ş.	434.057	329.008
Ülker Çikolata Sanayi A.Ş.	135.203	-
Yeni Teközel Markalı Ürün	12.097.043	-
Other	37	125
	134.993.482	156.323.080

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The Company purchases finished goods from the related parties. Sales to related parties include premium revenues, service expenses and sales of various goods.

c) The detail of purchases from and sales to related parties is as follows:

Transactions with related parties	1 January - 31 December 2018		1 January - 31 December 2017	
	Purchases	Sales	Purchases	Sales
Parent company				
YILDIZ HOLDİNG A.Ş.	1.102.005	14.181	981.694	9.885
Other related parties				
ADAPAZARI ŞEKER FABRİKASI A.Ş.	228.330	56.316	29.159.095	53.529
AK ALEV MANYEZİT LEVHA ÜRETİM SAN. TİC. A.Ş.	-	-	-	1.684
AKTÜL KAĞIT ÜRETİM PAZARLAMA A.Ş.	-	46.875	-	36.965
ATADEMİR GIDA SANAYİ VE TİCARET A.Ş.	-	21.092	-	-
AYTAÇ GIDA YATIRIM SANAYİ VE TİC. A.Ş.	8.611.723	18.674	8.227.460	36.373
AZMÜSEBAT ÇELİK SANAYİ VE TİCARET A.Ş.	-	-	4.454.475	-
BAGETÜRK GIDA SAN. VE TİC. A.Ş.	-	-	600.816	36.443
BATI UNLU MAMULLER SAN VE TİC. A.Ş.	-	436	-	-
BESLER GIDA KİMYA SAN TİC.AŞ.	28.229.760	213.898	2.690.579	161.932
BETA MARİNA LİMAN İŞLETMECİLİĞİ A.Ş.	-	52.599	-	28.602
BİSKOT BİSKÜVİ GIDA SAN.VE TİC. A.Ş.	-	533.333	-	545.235
CONTINENTAL CONFECTIONERY COMPANY GIDA SAN. .A.Ş	-	248.455	-	179.677
DANK GIDA SANAYİ VE TİCARET A.Ş.	-	7.555	-	5.596
DONUK FIRINCILIK ÜRÜNLERİ SANAYİ VE TİCARET A.Ş	163.624	-	110.022	-
DYDO DRİNCO TURKEY İÇECEK SATIŞ VE PAZARLAMA A.Ş.	-	-	-	-
EKSPER TÜKETİM MADDELERİ SATIŞ VE PAZARLAMA A.Ş.	1.832.192	970	4.660.722	704
EMİRKAN GIDA PAZ.SAN.TİC.LTD.STİ.	-	303.605	-	-
ENFESLER GIDA PAZ.A.Ş.	-	-	4.348.844	5.194
G2M DAĞITIM PAZARLAMA VE TİCARET ANONİM ŞİRKETİ	4.415.161	2.805.236	4.249.993	1.736.369
GOLF GIDA PAZARLAMAVE DAĞITIM LTD.STİ.	(7.366)	-	-	-
GÖZDE GİRİŞİM SERMAYESİ YAT. ORTAKLIĞI AŞ.	-	4.784	-	5.487
HORIZON HIZLI TÜKETİM ÜRÜN.PAZ. SATIŞ VE DAĞ. AŞ.	278.056.217	-	85.685	1.123
HÜNER PAZARLAMA VE TİC. A.Ş.	-	-	-	1.545
İSTANBUL GIDA DIŞ TİCARET A.Ş.	-	2.786	-	6.947
KARMA TARIMSAL ÜRETİM VE TİCARET A.Ş.	-	107.192	-	83.539
KELLOGG MED GIDA LTD ŞTİ.	-	32.854	-	180.696
KEREVİTAŞ GIDA SAN.TİC.AŞ	-	333.907	-	286.343
KUMAŞ MANYEZİT SANAYİ A.Ş.	-	118.056	-	93.065
MAKİNA TAKIM ENDÜSTRİSİ ANONİM ŞİRKETİ	-	23.234	-	20.391
MARSA YAĞ SANAYİ VE TİCARET A.Ş.	-	122.698	-	53.765
MEVSİM TAZE SEBZE MEYVE SANAYİ TİCARET A.Ş	-	41.213	26.032	3.475
MİLHANS GIDA VE TARIM ÜRÜNLERİ SAN.VE TİC.A.Ş.	-	19.780	-	13.437
NATURA GIDA SAN.VE TİC.AŞ.	3.021.750	2.563.862	819	359.229
NESOS GIDA SAN. A.Ş	-	38	-	-
NİSSİN YILDIZ GIDA SANAYİ VE TİC.A.Ş.	-	7.162	-	23.415
ODAK REFRAKTER VE MADENCİLİK TİC.AŞ.	-	3.478	-	-
ÖNEM GIDA SAN. VE TİC A.Ş	-	71.185	-	51.457
PASİFİK TÜKETİM ÜRÜNLERİ SATIŞ VE TİC.A.Ş.	8.366.688	1.003	238.868.774	602
PENTA TEKNOLOJİ ÜRÜNLERİ DAĞ A.Ş	-	9.010	-	680
PNS PENDİK NİŞASTA SANAYİ A.Ş.	5.007.395	37.536	2.469.122	40.538
POLİNAS PLASTİK SAN.VE TİC.A.Ş	-	222	-	-
SAĞLAM İNŞ.TAAH.TİC.A.Ş.	-	430	-	130
SCA YILDIZ KAĞIT VE KİŞİSEL BAKIM ÜRETİM A.Ş	2.800.876	83.417	3.172.433	61.813
SEBAT ÇAKMAK SIN.VE TÜK.MAL.SAN VE TİC.A.Ş	-	895	-	-
ŞOK MARKETLER TİCARET A.Ş.	78.373.705	1.122.570	65.800.024	23
TEKÖZEL GIDA TEM.SAĞL.MARKA HİZ.SAN.VE TİC.AŞ.	25.064.136	5.262	248.019.753	9.661
TOROSLAR UNLU MAM.VE FIRINCILIK A.Ş.	-	79.023	-	-
UCZ MAĞAZACILIK TİC. A.Ş.	-	-	6.801	10.264.589
UNMAŞ UNLU MAMÜLLERİ SANAYİ VE TİC A.Ş.	1.925.637	4.591	1.197.976	-
ÜLKER AİLESİ	-	6.056.247	-	3.605.219
ÜLKER BİSKÜVİ SANAYİ A.Ş.	-	598.290	-	503.945
ÜLKER ÇİKOLATA SAN.A.Ş.	-	314.061	-	253.526
YENİ TEKÖZEL MARKALI ÜRÜNLER DAĞITIM HİZ.A.Ş	36.091.168	3.497	-	-
OTHER	-	-	-	207.021
	483.283.000	16.091.506	619.131.119	18.969.849

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The detail of income and expenses pertaining to interest, rent and services arising from transactions with related parties is as follows:

Transactions with related parties	1 January - 31 December 2018					
	Interest income	Interest expense	Rent revenue	Rent expense	Service income	Service expense
Parent company						
YILDIZ HOLDİNG A.Ş.	43.646.481	(841.500)	-	(64.255)	232.146	(2.105.098)
Other related parties						
ADAPAZARI ŞEKER FABRİKASI A.Ş.	-	-	-	-	9.952	-
AKTÜL KAĞIT ÜRETİM PAZARLAMA A.Ş.	-	-	-	-	553	-
ATADEMİR GIDA SANAYİ VE TİCARET A.Ş.	-	-	-	-	361	-
ATLAS GIDA PAZ.SAN.TİC.A.Ş.	-	-	-	-	4.946	-
AYTAÇ GIDA YATIRIM SANAYİ VE TİC. A.Ş.	-	-	-	-	211.199	-
AZMÜSEBAT ÇELİK SANAYİ VE TİCARET A.Ş.	-	-	-	(49.569)	2.363	-
BESLER GIDA KİMYA SAN TİC.AŞ.	25.773	-	-	-	51.537	-
BETA MARİNA LİMAN İŞLETMECİLİĞİ A.Ş.	-	-	-	(273.417)	3.041	-
BİSKOT BİSKÜVİ GIDA SAN.VE TİC. A.Ş.	-	-	-	-	5.933	-
DANK GIDA SANAYİ VE TİCARET A.Ş.	-	-	-	-	-	-
EKSPER TÜKETİM MADDELERİ SATIŞ VE PAZARLAMA A.Ş.	-	-	28.339	-	61.552	-
ENFESLER GIDA PAZARLAMA A.Ş.	-	-	-	-	2.688	-
G2M DAĞITIM PAZARLAMA VE TİCARET ANONİM ŞİRKETİ	-	-	489.379	(4.070)	442.997	-
GOLF GIDA PAZARLAMAVE DAGITIM LTD.STI.	-	-	-	-	7.366	-
HORİZON HIZLI TÜKETİM ÜRÜN.PAZ. SATIŞ VE DAĞ. AŞ.	-	(1.114.403)	-	-	16.987.155	-
HÜNER PAZARLAMA TİC. A.Ş.	-	-	-	-	13.127	-
İSTANBUL GIDA DIŞ TİCARET A.Ş.	-	-	-	-	-	-
İZSAL GAYRİMENKUL GELİŞTİRME A.Ş.	-	-	-	-	12.745	-
KELLOGG MED GIDA LTD ŞTİ.	-	-	-	-	8.327	-
MARSA YAĞ SANAYİ VE TİCARET A.Ş.	-	-	-	(168.256)	-	-
MEVSİM TAZE SEBZE MEYVE SANAYİ TİCARET A.Ş.	-	-	-	-	975	-
NATURA GIDA SAN.VE TİC.AŞ.	10.868	-	-	-	146.377	-
NİSSİN YILDIZ GIDA SANAYİ VE TİC.A.Ş.	-	-	-	-	487	-
ÖNEM GIDA SAN. VE TİC A.Ş.	-	-	-	-	826	(2.134.236)
PASİFİK TÜKETİM ÜRÜNLERİ SATIŞ VE TİC.A.Ş.	-	(26.038)	51.620	-	949	-
PENTA TEKNOLOJİ ÜRÜNLERİ DAĞ A.Ş.	-	-	-	-	-	(17.964)
PERVİN FİNANSAL KİRALAMA A.Ş.	-	(60.293)	-	-	-	-
PNS PENDİK NIŞASTA SANAYİ A.Ş.	-	-	-	-	12.864	-
POLİNAS PLASTİK SAN.VE TİC.A.Ş.	-	-	-	-	3.413	-
SAĞLAM İNŞ.TAAH.TİC.A.Ş.	-	-	228.662	-	6.250	-
SCA YILDIZ KAĞIT VE KİŞİSEL BAKIM ÜRETİM A.Ş.	-	-	-	-	340.776	-
SEBAT ÇAKMAK SIN.VE TÜK.MAL.SAN VE TİC.A.Ş.	-	-	-	-	488	-
SUN DOĞAL GIDA VE AMBALAJ SANAYİ A.Ş.	944.688	-	-	-	-	-
ŞOK MARKETLER TİCARET A.Ş.	-	-	24.374	(1.662.238)	1.841.838	(9.078)
TEKÖZEL GIDA TEM.SAĞL.MARKA HİZ.SAN.VE TİC.AŞ.	-	-	-	-	145.434	(34.801)
UCZ MAĞAZACILIK TİC.AŞ.	-	-	-	-	166.640	-
UNMAŞ UNLU MAMÜLLERİ SANAYİ VE TİC A.Ş.	-	-	-	-	38.250	-
ÜLKER BİSKÜVİ SANAYİ A.Ş.	-	-	-	-	9.083	-
ÜLKER ÇİKOLATA SAN.A.Ş.	264.811	-	-	(585.318)	4.585	-
YENİ TEKÖZEL MARKALI ÜRÜNLER DAĞITIM HİZ.A.Ş.	-	-	-	-	11.485	(194.403)
	44.892.620	(2.042.233)	822.374	(2.807.122)	20.788.705	(4.495.580)

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Transactions with related parties	1 January - 31 December 2017					
	Interest income	Interest expense	Rent revenue	Rent expense	Service income	Service expense
Parent company						
YILDIZ HOLDİNG A.Ş.	15.047.057	-	-	-	77.377	(1.261.254)
Other related parties						
Ak Gıda San. ve Tic. A.Ş.	-	-	-	-	1.685	-
Aytaç Gıda Yatırım Sanayi ve Ticaret A.Ş.	-	-	-	-	146.052	-
Adapazarı Şeker Fabrikası A.Ş.	-	-	-	-	76.379	-
Atademir Gıda San. ve Tic. A.Ş.	-	-	-	-	9.118	-
Azmüsebat Çelik Sanayi ve Tic. A.Ş.	-	-	-	-	175.922	-
Bagetürk Gıda San. ve Tic. A.Ş.	-	-	-	-	8.781	-
Besler Gıda ve Kim.Tic. A.Ş.	-	-	-	-	-	(1.202)
Dydo Drinco Turkey İçecek ve Satış Pazarlama A.Ş.	-	-	-	-	1.250	-
Eksper Tüketim Maddeleri Satış ve Paz.A.Ş.	-	-	29.172	-	36.883	(22.899)
Golf Gıda Paz. ve Dağ. Ltd. Şti.	-	-	-	-	139.084	-
G2M Dağıtım Paz.ve Tic. A.Ş.	-	-	432.201	(8.529)	1.298.241	(17.260)
Horizon Hızlı Tüketim Ürün.Paz.Satış ve Dağıtım A.Ş.	-	-	-	(22.173)	1.000	(78.300)
Hüner Pazarlama ve Tic. A.Ş.	-	-	-	-	2.325	(88)
İstanbul Gıda Dış Tic. A.Ş.	-	-	-	-	9.907	(8.533)
İzsal Gayrimenkul Geliştirme A.Ş.	-	-	-	-	-	(805)
Kellogg Med Gıda Tic. Ltd. Şti.	-	-	-	-	31.302	-
Marsa Yağ San.ve Tic. A.Ş.	-	-	-	(145.275)	-	(83.783)
Misbis Gıda San.ve Tic. A.Ş.	-	-	-	(76.465)	-	-
Medyasoft Bilgi Sis.San.ve Tic. A.Ş.(1)	-	-	-	-	-	-
Mevsim Taze Sebze Meyve Sanayi ve Tic. A.Ş.	-	-	-	-	8.604	-
Nissin Yıldız Gıda. San. ve Tic. A.Ş.	-	-	-	-	15.053	-
Önem Gıda Sanayi ve Ticaret A.Ş.	-	-	-	-	-	(2.498.653)
Pasifik Tüketim Ürünleri Sat.ve Tic. A.Ş.	-	-	209.603	(2.451)	6.492.059	(221.063)
Penta Teknoloji Ürünleri Dağ.A.Ş.	-	-	-	-	-	(302.123)
Pervin Finansal Kiralama A.Ş.(1)	-	(389.527)	-	-	-	-
PNS Pendik Nişasta Sanayi A.Ş.	-	-	-	-	51.165	-
Sağlam İnşaat Taahhüt Ticaret A.Ş.	-	-	88.345	-	-	(61.564)
SCA Yıldız Kağıt ve Kişisel Bakım Üretim A.Ş.	-	-	-	-	329.275	-
Şok Marketler Tic. A.Ş.	-	-	15.875	(2.846.833)	2.154.199	(2.560.838)
Teközel Gıda Temiz Sağlık Marka Hiz.San.ve Tic. A.Ş.	-	-	-	-	520.875	(536.298)
Ucz Mağazacılık Tic. A.Ş.	-	-	72.250	-	293.224	-
Unmaş Unlu Mamuller San. ve Tic. A.Ş.	-	-	-	-	16.589	-
Ülker Çikolata San.A.Ş.	-	-	-	-	1.377	(1.404)
Other	-	-	-	-	-	-
	15.047.057	(389.527)	847.446	(3.101.725)	11.897.727	(7.677.411)

Trade receivables from related parties is mainly composed of sales transactions and approximate maturity is 30-60 days. Non-trade receivables are loans given to related parties, and interest is received as quarterly based on effective market interest rate. The interest rate used in 31 December 2018 is 15.6-30.3 % for TRY (31 December 2017: 13.8-15.8% for TRY).

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e) Benefits provided to board members and key management personnel:

	1 January - 31 December 2018	1 January - 31 December 2017
Salaries and other short term benefits	5.109.516	5.254.209
	5.109.516	5.254.209

24.NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(a) - Foreign currency risk management

Transactions in foreign currencies expose the Company to foreign currency risk.

This risk mainly arises from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. In this regard, the Company manages this risk with a method of netting foreign currency denominated assets and liabilities. The management reviews the foreign currency open position and provide measures if required.

The Company is mainly exposed to foreign currency risk in USD and EUR.

	TL Equivalent (Functional currency)	31 December 2018		
		USD	EUR	GBP
1. Trade Receivables	-	-	-	-
2a. Monetary Financial Assets	29.202.544	5.417.282	115.942	582
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	154.976	18.000	10.000	-
4. CURRENT ASSETS	29.357.520	5.435.282	125.942	582
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	29.357.520	5.435.282	125.942	582
10. Trade Payables	462.448	87.903	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	462.448	87.903	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	462.448	87.903	-	-
19. Net foreign currency liability position	28.895.072	5.347.379	125.942	582
20. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	28.740.096	5.329.379	115.942	582

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	31 December 2017			
	TL Equivalent (Functional currency)	USD	EUR	GBP
1. Trade Receivables	-	-	-	1.452
2a. Monetary Financial Assets	453.073	7.539	92.406	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	113.049	18.000	10.000	-
4. CURRENT ASSETS	566.122	25.539	102.406	1.452
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	566.122	25.539	102.406	1.452
10. Trade Payables	-	-	-	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-Monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	-	-	-	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	-	-	-	-
19. Net foreign currency liability position	566.122	25.539	102.406	1.452
20. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	453.073	7.539	92.406	1.452

Interest rate sensitivity

The Company is exposed to foreign exchange risk arising primarily from USD and EUR currency exposures. In the table below, the foreign currency sensitivity of the Company arising from 10% change in US dolar and TRY rates. 10% is the rate used when reporting to senior management of the Company. This rate is the anticipated rate change of the Company's senior management. Sensitivity analysis includes only the monetary items in foreign currency at year end and shows the effect of 10% increase in US dolar and TRY foreign currency rates. Positive value implies the effect of 10% increase in US dolar and TRY foreign currency.

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	31 December 2018		31 December 2017	
	Profit / Loss		Profit / Loss	
	Appreciation of foreign currency by 10%	Devaluation of foreign currency by 10%	Appreciation of foreign currency by 10%	Devaluation of foreign currency by 10%
1 - US Dollar net asset / liability	2.813.202	(2.813.202)	9.633	(9.633)
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	2.813.202	(2.813.202)	9.633	(9.633)
4 - Euro net asset / liability	76.305	(76.305)	46.979	(46.979)
5 - Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4 +5)	76.305	(76.305)	46.979	(46.979)

(b) - Interest rate risk management

Financial liabilities based on fixed and floating interest rates expose the Company to interest rate risk. The related risk is controlled by interest rate swap agreements and floating interest rate agreements by balancing the fixed and floating interest rate borrowings. Risk strategies are reviewed periodically considering the interest rate expectations and predetermined interest risks; which aims to establish optimum interest risk management regarding the balance sheet position and the interest expenses.

* The Company cashed large part of credit card receivables within next day of transaction without considering original maturity. Although, this operation constitutes increased finance expense, the Company charged interest income over borrowed cashed credit card receivables. As disclosed in Note 19 and 20, net finance expense decreased compared to previous period. Also, decrease in cash flow should be considered with increase in other receivables.

Categories of financial instruments and fair values

31 December 2018	Loans and receivables (including cash and cash equivalents)	Financial liabilities at amortized cost	Carrying value	Note
Financial assets				
Cash and cash equivalents	273.895.711	-	273.895.711	3
Trade receivables	45.307.750	-	45.307.750	5
Due from related parties	683.154	-	683.154	23
Other financial assets	57.500.558	-	57.500.558	6
Financial liabilities				
Borrowings	-	15.741.093	15.741.093	4
Trade payables	-	507.468.856	507.468.856	5
Due to related parties	-	134.993.482	134.993.482	23
Other financial liabilities	-	15.508.092	15.508.092	12,13

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.

INDEPENDENTLY AUDITED NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY - 31 DECEMBER 2018

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

31 December 2018	Loans and receivables (including cash and cash equivalents)	Financial liabilities at amortized cost	Carrying value	Note
Financial assets				
Cash and cash equivalents	227.239.220	-	227.239.220	3
Trade receivables	38.030.016	-	38.030.016	5
Due from related parties	2.156.233	-	2.156.233	23
Other financial assets	3.453.405	-	3.453.405	6
Financial liabilities				
Borrowings	-	25.034.124	25.034.124	4
Trade payables	-	383.957.812	383.957.812	5
Due to related parties	-	156.323.080	156.323.080	23
Other financial liabilities	-	11.812.146	11.812.146	12,13

25. EVENTS AFTER REPORTING DATE

None

CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
BİZİM TOPTAN SATIŞ MAĞAZALARI A.Ş.
 APPENDIX-1 SUPPLEMENTARY OTHER INFORMATION

Supplementary information disclosure is not compulsory for TFRS, however disclosure have been evaluated as important for showing the financial performance by Company's Management. Interest, Amortization, depreciation and Profit Before Tax (EBITDA) and Interest, Amortisman, depreciation, Profit Before Tax and Lease Expense (EBITDAL) calculation table is shown at below. Company calculate (EBITDA) the amount as debuct to net profit for the year, tax expense, financial expence and income from investing activities from loss for the period amount in profit and loss position than add amortization and depreciation expense. Furthermore Adjusted EBITDA has also other income/(expense) from operating activities and adjusted EBITDAL has also lease expense. EBITDA is not a criteria according to TFRS' scope.

	Current Period 1 January- 31 December 2018	Prior Period 1 January- 31 December 2017
NET PROFIT FOR THE YEAR	21.637.496	(30.358.339)
Tax Expense	(6.243.709)	7.870.924
PROFIT BEFORE TAX	27.881.205	(38.229.263)
Financial Expenses (-)	(48.051.677)	(21.976.571)
Income from Investing Activities	45.578.928	15.206.852
Amortization Expense	(26.616.634)	(20.486.584)
EBITDA	56.970.588	(10.972.960)
Other Income /(Expense) from Operating Activities	(91.165.026)	(52.562.171)
ADJUSTED EBITDA	148.135.614	41.589.211
Warehouse, center and shop lease expense (*)	51.461.746	44.670.574
ADJUSTED EBITDAL	199.597.360	86.259.785

(*) Except vehicle lease expense.



Annual Report 2018

Bizim Toptan Satış Mağazaları A.Ş.

Kuşbakış Caddesi No: 19 Posta Kodu: 34662
Altunizade / Üsküdar / İstanbul

+90 212 577 75 72

www.bizimtoptan.com.tr