



KAMUYU AYDINLATMA PLATFORMU

VESTEL BEYAZ EŐYA SANAYİ VE TİCARET A.Ő.
Financial Report
Unconsolidated
2020 - 4. 3 Monthly Notification

General Information About Financial Statements

31.12.2020 Financial Report



Independent Audit Company	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Audit Type	Continuous
Audit Result	Positive

CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the Shareholders of Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi

A) Audit of the Financial Statements

Opinion

We have audited the financial statements of Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi ("the Company"), which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. *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. These matters were addressed in the context of our 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.

Fair Value Measurement of Tangible Assets

Refer to Note 2.5.3 and Note 11 to the financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for fair value measurement of tangible assets.

The key audit matter

The Company has applied the accounting policy to measure its land, buildings and land improvements at fair value in its financial statements in accordance with TAS 16, "Property, Plant and Equipment".

As a result of the revaluation in 2020, the Company recognized TL 401,410 thousand fair value increase on tangible assets.

Fair values of the Company's revaluated tangible assets are determined by professional

How the matter was addressed in our audit

Audit procedures that are applied in this matter involves below

- - The evaluation of the competence, capabilities and objectivity of the independent professional valuation experts to determine the fair value of tangible assets,
- Check the depreciation amounts of revaluated tangible assets by recalculation,
- Evaluating the valuation methods and inputs used for fair value measurement of tangible assets with the participation of our valuation experts,

independent valuation expert authorized by the CMB.

Fair value measurement of tangible assets is determined as a key audit matter, since the amount of fair value increase recognized in the financial statements as of 31 December 2020 is material to the financial statements of the Company and the inputs and calculations used in valuation methods are complex and includes significant estimates and judgements.

- Evaluating the appropriateness of key estimates and inputs used in valuation methods, including comparison of current precedent values in the market and preceding values with the participation of our valuation experts,

- Checking the appropriateness and adequacy of financial statement disclosures, including the explanations of the key estimates and assumptions regarding the fair value measurement of tangible assets, in accordance with TFRS.

Other Matter

The financial statements of Vestel Beyaz Eşya Sanayi ve Ticaret Anonim Şirketi for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 11 February 2020.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, 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

Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing issued by the CMB and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 audit in accordance with the standards on auditing issued by the CMB and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.

- Obtain an understanding of 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's 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 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 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 15 February 2021.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2020 and 31 December 2020, the Company's bookkeeping activities and financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.

3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents, except annual report, in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of KPMG International Cooperative

İsmail Önder Ünal, SMMM

Partner

15 February 2021

İzmir, Türkiye

Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 31.12.2020	Previous Period 31.12.2019
Statement of Financial Position (Balance Sheet)			
Assets [abstract]			
CURRENT ASSETS			
Cash and cash equivalents	4	216.011	119.328
Trade Receivables		3.285.995	1.748.257
Trade Receivables Due From Related Parties	6, 7	3.280.987	1.741.171
Trade Receivables Due From Unrelated Parties	7	5.008	7.086
Other Receivables		1.086.150	630.205
Other Receivables Due From Related Parties	6, 8	855.935	482.149
Other Receivables Due From Unrelated Parties	8	230.215	148.056
Derivative Financial Assets		18.830	2.603
Derivative Financial Assets Held for Trading	28	18.543	2.603
Derivative Financial Assets Held for Hedging	28	287	0
Inventories	9	952.552	646.136
Prepayments		53.422	20.052
Prepayments to Unrelated Parties	10	53.422	20.052
Other current assets		3.812	1.163
Other Current Assets Due From Unrelated Parties	18	3.812	1.163
SUB-TOTAL		5.616.772	3.167.744
Total current assets		5.616.772	3.167.744
NON-CURRENT ASSETS			
Other Receivables		4.500	3.748
Other Receivables Due From Unrelated Parties	8	4.500	3.748
Property, plant and equipment		2.190.304	1.516.259
Land and Premises	11	503.898	192.824
Land Improvements	11	49.957	39.632
Buildings	11	643.223	435.552
Machinery And Equipments	11	919.610	771.383
Vehicles	11	366	168
Fixtures and fittings	11	36.413	26.336
Leasehold Improvements	11	4.688	5.133
Construction in Progress	11	32.149	45.231
Right of Use Assets	12	148.920	61.947
Intangible assets and goodwill		216.439	180.509
Other Rights	13	180	165
Capitalized Development Costs	13	202.424	167.955
Other intangible assets	13	13.835	12.389
Prepayments		53.056	53.595
Prepayments to Unrelated Parties	10	53.056	53.595
Total non-current assets		2.613.219	1.816.058
Total assets		8.229.991	4.983.802
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current Borrowings		998.969	733.300
Current Borrowings From Related Parties		16.181	6.973
Lease Liabilities	5, 6	16.181	6.973
Current Borrowings From Unrelated Parties		982.788	726.327
Bank Loans	5	960.540	714.041
Lease Liabilities	5	22.248	12.286
Current Portion of Non-current Borrowings		234.294	13.342
Current Portion of Non-current Borrowings from Unrelated Parties		234.294	13.342
Bank Loans	5	234.294	13.342
Trade Payables		2.874.941	2.069.922
Trade Payables to Related Parties	6, 7	188.142	132.380
Trade Payables to Unrelated Parties	7	2.686.799	1.937.542
Employee Benefit Obligations	17	54.166	42.926
Other Payables		206.285	70.291
Other Payables to Related Parties	6	206.285	70.291
Derivative Financial Liabilities		48.839	5.264
Derivative Financial Liabilities Held for trading	28	11.743	5.264

Derivative Financial Liabilities Held for Hedging	28	37.096	0
Current tax liabilities, current	26	2.432	504
Current provisions		9.674	5.847
Other current provisions	15	9.674	5.847
Other Current Liabilities		29.075	50.322
Other Current Liabilities to Unrelated Parties	18	29.075	50.322
SUB-TOTAL		4.458.675	2.991.718
Total current liabilities		4.458.675	2.991.718
NON-CURRENT LIABILITIES			
Long Term Borrowings		207.731	56.831
Long Term Borrowings From Related Parties		109.058	32.546
Lease Liabilities	5, 6	109.058	32.546
Long Term Borrowings From Unrelated Parties		98.673	24.285
Bank Loans	5	88.566	10.303
Lease Liabilities	5	10.107	13.982
Trade Payables		61.787	6.747
Trade Payables To Unrelated Parties	7	61.787	6.747
Non-current provisions		85.734	57.289
Non-current provisions for employee benefits	17	85.734	57.289
Deferred Tax Liabilities	26	54.299	64.989
Total non-current liabilities		409.551	185.856
Total liabilities		4.868.226	3.177.574
EQUITY			
Equity attributable to owners of parent		3.361.765	1.806.228
Issued capital	19	190.000	190.000
Inflation Adjustments on Capital	19	9.734	9.734
Share Premium (Discount)	19	109.031	109.031
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		771.673	395.981
Gains (Losses) on Revaluation and Remeasurement		771.673	395.981
Increases (Decreases) on Revaluation of Property, Plant and Equipment		800.187	410.776
Gains (Losses) on Remeasurements of Defined Benefit Plans		-28.514	-14.795
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		-29.447	0
Gains (Losses) on Hedge		-29.447	0
Gains (Losses) on Cash Flow Hedges		-29.447	0
Restricted Reserves Appropriated From Profits		187.190	173.938
Legal Reserves	19	187.190	173.938
Prior Years' Profits or Losses	19	792.276	359.472
Current Period Net Profit Or Loss		1.331.308	568.072
Total equity		3.361.765	1.806.228
Total Liabilities and Equity		8.229.991	4.983.802

Statement of Profit or Loss and Other Comprehensive Income

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 01.01.2020 - 31.12.2020	Previous Period 01.01.2019 - 31.12.2019
Statement of Profit or Loss and Other Comprehensive Income			
PROFIT (LOSS)			
Revenue	20	9.409.285	6.967.964
Cost of sales	20	-7.602.834	-6.083.290
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		1.806.451	884.674
GROSS PROFIT (LOSS)		1.806.451	884.674
General Administrative Expenses	22	-81.028	-69.037
Marketing Expenses	22	-118.022	-93.392
Research and development expense	22	-78.866	-58.023
Other Income from Operating Activities	23	523.030	314.368
Other Expenses from Operating Activities	23	-547.368	-377.348
PROFIT (LOSS) FROM OPERATING ACTIVITIES		1.504.197	601.242
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		1.504.197	601.242
Finance income	24	476.221	338.823
Finance costs	24	-648.486	-375.501
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		1.331.932	564.564
Tax (Expense) Income, Continuing Operations		-624	3.508
Current Period Tax (Expense) Income	26	-5.771	-2.913
Deferred Tax (Expense) Income	26	5.147	6.421
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1.331.308	568.072
PROFIT (LOSS)		1.331.308	568.072
Profit (loss), attributable to [abstract]			
Non-controlling Interests		0	0
Owners of Parent		1.331.308	568.072
Earnings per share [abstract]			
Earnings per share [line items]			
Basic earnings per share			
Basic Earnings (Loss) Per Share from Continuing Operations			
<i>Nominal bedeli 1 TL olan pay başına kazanç(TL)</i>	27	7,01000000	2,99000000
Diluted Earnings Per Share			
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss		382.442	-7.226
Gains (Losses) on Revaluation of Property, Plant and Equipment		401.410	0
Gains (Losses) on Remeasurements of Defined Benefit Plans	25	-17.149	-9.032
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		-1.819	1.806
Taxes Relating to Gains (Losses) on Revaluation of Property, Plant and Equipment		-5.249	0
Taxes Relating to Remeasurements of Defined Benefit Plans		3.430	1.806
Other Comprehensive Income That Will Be Reclassified to Profit or Loss		-29.447	636
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	25	-36.809	816
Gains (Losses) on Cash Flow Hedges		-36.809	816
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		7.362	-180
Taxes Relating to Cash Flow Hedges	25	7.362	-180
OTHER COMPREHENSIVE INCOME (LOSS)		352.995	-6.590
TOTAL COMPREHENSIVE INCOME (LOSS)		1.684.303	561.482
Total Comprehensive Income Attributable to			
Non-controlling Interests		0	0
Owners of Parent		1.684.303	561.482

Statement of cash flows (Indirect Method)

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 01.01.2020 - 31.12.2020	Previous Period 01.01.2019 - 31.12.2019
Statement of cash flows (Indirect Method)			
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit (Loss)		574.223	617.727
Profit (Loss) from Continuing Operations		1.331.308	568.072
Adjustments to Reconcile Profit (Loss)		371.234	187.130
Adjustments for depreciation and amortisation expense	11,12,13	300.308	257.440
Adjustments for Impairment Loss (Reversal of Impairment Loss)		2.432	-1.171
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	9	2.432	-1.171
Adjustments for provisions		24.673	19.129
Adjustments for (Reversal of) Provisions Related with Employee Benefits	17	20.846	16.472
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	15	3.827	2.657
Adjustments for Interest (Income) Expenses		43.062	-74.709
Adjustments for Interest Income	24	-52.487	-161.325
Adjustments for interest expense	24	95.549	86.616
Adjustments for unrealised foreign exchange losses (gains)		4.136	24.859
Adjustments for fair value losses (gains)		-9.461	-14.624
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		-9.461	-14.624
Adjustments for Tax (Income) Expenses	26	624	-3.508
Adjustments for losses (gains) on disposal of non-current assets		-2.706	-809
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets		-2.706	-809
Other adjustments to reconcile profit (loss)	4	8.166	-19.477
Changes in Working Capital		-1.114.925	-127.423
Adjustments for decrease (increase) in trade accounts receivable		-1.537.738	-268.044
Decrease (Increase) in Trade Accounts Receivables from Related Parties	6	-1.539.816	-265.060
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties	7	2.078	-2.984
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-82.911	11.988
Decrease (Increase) in Other Unrelated Party Receivables Related with Operations	8	-82.911	11.988
Adjustments for decrease (increase) in inventories	9	-308.848	-65.911
Decrease (Increase) in Prepaid Expenses	10	-32.831	-21.434
Adjustments for increase (decrease) in trade accounts payable		860.059	161.061
Increase (Decrease) in Trade Accounts Payables to Related Parties	6	55.762	82.130
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties	7	804.297	78.931
Increase (Decrease) in Employee Benefit Liabilities	17	11.240	11.730
Other Adjustments for Other Increase (Decrease) in Working Capital		-23.896	43.187
Decrease (Increase) in Other Assets Related with Operations	18	-2.649	-333
Increase (Decrease) in Other Payables Related with Operations	18	-21.247	43.520
Cash Flows from (used in) Operations		587.617	627.779
Payments Related with Provisions for Employee Benefits	17	-9.551	-6.927
Income taxes refund (paid)	26	-3.843	-3.125
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		-958.714	-135.306
Proceeds from sales of property, plant, equipment and intangible assets		14.980	2.630
Proceeds from sales of property, plant and equipment		14.980	2.630
Purchase of Property, Plant, Equipment and Intangible Assets		-599.908	-359.671
Purchase of property, plant and equipment	11	-519.930	-297.826
Purchase of intangible assets	13	-79.978	-61.845
Cash advances and loans made to other parties		-373.786	221.735

Cash Advances and Loans Made to Related Parties	6		-373.786	221.735
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			489.340	-503.417
Proceeds from borrowings			2.006.706	1.116.152
Proceeds from Loans	5		2.006.706	1.116.152
Repayments of borrowings			-1.461.014	-1.041.103
Loan Repayments	5		-1.465.848	-1.040.466
Cash Outflows from Other Financial Liabilities			4.834	-637
Decrease in Other Payables to Related Parties			135.994	-64.579
Payments of Lease Liabilities			-39.718	-23.392
Dividends Paid	6		-128.766	-566.829
Interest paid			-76.349	-84.991
Interest Received			52.487	161.325
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES			104.849	-20.996
Net increase (decrease) in cash and cash equivalents			104.849	-20.996
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4		82.287	103.283
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			187.136	82.287

