

**Dođanlar Mobilya Grubu İmalat Sanayi
ve Ticaret Anonim Őirketi**
Consolidated Financial
Statements
As Of 31 December 2023

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the adjustments described in the "*Basis for Qualified Opinion*" section 1 and 2 of our report and the possible effects of the matter section 3, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion

As stated in Note 23 of the accompanying notes to the consolidated financial statements, the Group has a balance of trade receivables amounting to TL 129,600,317 from third parties arising from as a result of its operations and their maturities are significantly over due 180 days or over in the consolidated balance sheet as at 31 December 2023. In addition, due to the conversion of the abovementioned trade receivables, denominated in foreign currencies and their maturities are significantly over due 180 days or over into the Turkish Lira, foreign exchange gains amounting to TL 49,881,427 has been recognized in the other operating income. We were unable to obtain sufficient appropriate audit evidence and implement audit procedures about determining whether any impairment incurred in the trade receivables. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As of 31 December 2023, the Group has idle inventories amounting to TL 30,010,744 obtained from sales in 2017 in its consolidated balance sheet. We were unable to obtain sufficient appropriate audit evidence and implement audit procedures about determining whether any impairment incurred in the inventories. Consequently, we were unable to determine whether any recoverability of these amounts were necessary.

The subsidiary of the Group, Dođtař Holland B.V., Dođtař Bulgaria Eood and Dođtař Germany GmbH are not included in the scope of consolidation since they are immaterial to the accompanying consolidated financial statements in accordance with the evaluation made by the Group management and classified as “financial assets”. As of 31 December 2023, financial assets amounting to TL 89.283.765 are carried at cost are operating to a limited extent and their total net asset are remained uncovered and in accordance with TFRS 9 “Financial Instruments” standard, provision for impairment on financial assets amounting to TL 89.283.765 should allocated for the carrying value of the financial assets in the consolidated opening balance sheet on 1 January 2015. Accordingly, if the Group had recognized the aforementioned provision for impairment in its consolidated financial statements, the financial assets of the Group would have been TL 89.283.765 lowber and retained losses would have been TL 89.283.765 higher.

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board (“CMB”) and the Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (“Code of Ethics”) published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

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

Revenue recognition

Refer to Note 2.5 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for revenue recognition.

<u>The key audit matter</u>	<u>How the matter was addressed in our audit</u>
<p>The Group's revenue is primarily generated from sales of furniture products.</p> <p>Revenue is recognised when the control of the goods is transferred and the Group satisfied performance obligations.</p> <p>Since sales contracts can be complex, the recognition of revenue in the relevant period depends on the accurate evaluation of the sales conditions specific to each situation. For this reason, there is a risk that the revenue will not be recognized in the correct period or amount for the products that may be returned from the products that have been produced and delivered, and for those whose invoices have not yet been issued to the customer and for those invoices have been issued but the control of the goods has not been transferred to the customers. In this context, determination of revenue is based on the presence of management estimations in revenue calculations in the accompanying consolidated financial statements and the revenue amount correctly and not being recorded in the correct period in accordance with the TFRS 15 standard. Therefore, recognition of revenue requires significant accounting estimates and judgements in which accounted for correct period and amount in the accompanying consolidated financial statements have been determined as key audit matter of our audit.</p>	<p>We performed the following procedures in relation to the recognition of revenue:</p> <ul style="list-style-type: none">-Understanding and evaluating the revenue process of the Group, evaluating the design and effectiveness of the internal controls applied by the Group management with IT advisors and experts regarding the recognition of revenue in accordance with the relevant accounting standards,-Evaluating and assessing the audit procedures of invoices issued but risk and ownership have not been transferred. In this context, invoice, delivery note, warehouse exit and delivery documents are analyzed by sampling method and the actual delivery is made before the balance sheet date is evaluated,-Evaluation the timing of revenue recognition for the different shipment arrangements by examining the terms of trade and shipping conditions in the contracts made with customers,-Verifying trade receivable balances of third parties by obtaining confirmation letters for selected samples and reconciling to the consolidated financial statements through selected samples,-Performing analytical procedures to determine the existence of unusual transactions,-Testing of the subsequent sales returns transactions after the reporting period of consolidated financial statements whether they are accounted for in the appropriate financial reporting period by selecting the samples from subsequent sales returns after the reporting period and using substantive testing procedures,-Evaluation of the journal entries related to revenue that the Group has accounted for during the year,-Assessing the adequacy of the disclosures of revenue in the notes to the consolidated financial statements in accordance with the TFRS 15,-Testing the disclosures in the consolidated financial statements in relation to the revenue and evaluating adequacy of such disclosures for TFRS requirements.

Recognition of borrowings

Refer to Note 4 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for recognition of borrowings.

<u>The key audit matter</u>	<u>How the matter was addressed in our audit</u>
<p>The consolidated financial statements as of 31 December 2023 include short and long term borrowings amounting to TL 2.206.782.070 which constitute a significant portion of Doğanlar Mobilya’s total liabilities.</p> <p>The Group discloses the borrowings discounted cost by using the effective interest method. Calculation and reconciliation of discounted costs of borrowings determined as key audit matter for our audit.</p>	<p>We performed the following procedures in relation to the testing of borrowings:</p> <p>-Evaluating and testing third party and related party reconciliations of the borrowings balances and recalculating internal rate of return and discount studies calculated by the Group,</p> <p>Testing the disclosures in the consolidated financial statements in relation to the borrowings and evaluating adequacy of such disclosures for TFRS requirements.</p>

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statement

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the standards on auditing issued by Capital Markets Board and SIA 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 consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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) Report on Other Legal and Regulatory Requirements

1) In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 (“TCC”), the auditor’s report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Group on 14 May 2024.

2) In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group’s set of accounts and consolidated financial statements prepared for the period 1 January-31 December 2023 does not comply with TCC and the provisions of the Group’s articles of association in relation to financial reporting.

3) In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Metin Etkin

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL

İstanbul, 14 May 2024

Metin Etkin

Partner

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31
DECEMBER 2023 AND 2022**

Convenience Translation Into English Of The Consolidated Financial Statements Originally Issued In Turkish
(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited Current Period	Audited Prior Period
ASSETS	<i>Notes</i>	31 December 2023	31 December 2022
Current Assets		3.523.657.312	3.228.183.138
Cash and Cash Equivalents	4	318.402.612	521.526.492
Financial Investments	12	252.899.353	-
Trade Receivables	6,7	828.862.989	674.922.157
- Related Parties	7	2.418.551	4.110.934
- Third Parties	6	826.444.438	670.811.223
Other Receivables	7,8	156.360.516	81.367.337
- Related Parties	7	4.235.557	10.702.212
- Third Parties	8	152.124.959	70.665.125
Inventories	9	1.554.820.063	1.562.128.067
Prepaid Expenses	11	383.122.363	270.079.550
Current Income Tax Assets	23	24.408.559	2.175.876
Other Current Assets	10	4.780.857	115.983.659
		3.523.657.312	3.228.183.138
Non-Current Assets Held for Sale		--	--
Non-Current Assets		3.841.193.819	3.485.676.312
Trade Receivables	6	7.805.814	-
- Third Parties	6	7.805.814	-
Other Receivables	8	50.490.088	66.315.852
- Third Parties	8	50.490.088	66.315.852
Financial Investments	12	89.283.765	89.283.765
Property, Plant and Equipment	13	2.708.959.173	2.451.868.691
Right of Use Assets	13	754.061.681	653.281.187
Intangible Assets	14	230.593.298	224.926.817
TOTAL ASSETS		7.364.851.131	6.713.859.450

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		Audited Current Period	Audited Prior Period
	Notes	31 December 2023	31 December 2022
LIABILITIES			
Current Liabilities		4.239.597.736	3.683.663.755
Short-Term Borrowings	5	314.890.892	430.487.840
- Bank Borrowings		160.191.573	261.146.900
- Financial Lease Liabilities		45.435.958	53.681.689
- Lease Liabilities		109.263.361	115.659.251
Short Term Portion of Long Term Borrowings	5	1.177.946.909	543.195.777
Trade Payables	6	1.705.195.044	1.698.811.333
- Third Parties		1.705.195.044	1.698.811.333
Employee Benefits	16	104.646.073	99.372.419
Other Payables	8	86.572.176	109.887.233
- Third Parties	8	35.420.744	109.864.082
- Related Parties	7	51.151.432	23.151
Deferred Income	11	737.601.558	732.930.020
Period profit tax liability		45.906.091	--
Short Term Provisions		66.838.993	68.979.133
- Short Term Provisions for Employee Benefits	16	30.082.339	34.515.842
- Other Short Term Provisions	15	36.756.654	34.463.291
Non-Current Liabilities		929.414.544	1.316.859.008
Long Term Borrowings	5	713.944.269	1.094.896.084
- Bank Borrowings		356.229.816	698.713.783
- Financial Lease Liabilities		6.947.132	42.175.571
- Lease Liabilities		350.767.321	354.006.730
Other Payables	8	9.602.656	7.921.479
- Third Parties		9.602.656	7.921.479
Long Term Provisions		49.435.592	88.366.410
- Long Term Provisions for Employee Benefits	16	43.287.198	83.968.831
- Other Long Term Provisions	15	6.148.394	4.397.579
Deferred Tax Liabilities	23	156.432.027	125.675.035
EQUITY		2.195.838.851	1.713.336.687
Equity Holders of the Parent		2.195.792.103	1.772.468.311
Paid-in Share Capital	17	350.000.000	350.000.000
Adjustment to Share Capital	17	(159.069.767)	(159.069.767)
Capital adjustment differences		1.098.202.672	1.098.202.672
Share Premium	17	44.576.996	44.576.996
Treasury Shares (-)		(164.730.442)	(24.403.359)
Other comprehensive income/expense not to be reclassified to profit or loss		3.059.244	(11.078.687)
Other comprehensive income/expense to be reclassified to profit or loss	17	(296.925.900)	(287.173.911)
Restricted Reserves	17	22.808.888	22.808.888
Retained Earnings		579.550.141	328.851.073
Profit for the Period		718.320.271	409.754.406
Non-Controlling Interests		46.748	(59.131.624)
TOTAL LIABILITIES AND EQUITY		7.364.851.131	6.713.859.450

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

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		Audited Current Period	Audited Prior Period
Profit or Loss	<i>Notes</i>	1 January - 31 December 2023	1 January - 31 December 2022
Revenue	18	8.772.534.043	7.469.783.047
Cost of Sales (-)	18	(5.346.831.713)	(4.593.757.322)
GROSS PROFIT		3.425.702.330	2.876.025.725
General Administrative Expenses (-)	19	(452.543.015)	(386.324.566)
Marketing, Sales and Distribution Expenses (-)	19	(1.996.997.872)	(1.754.040.624)
Research and Development Expenses (-)	19	(68.609.576)	(50.081.809)
Other Operating Income	20	619.655.661	302.257.175
Other Operating Expenses (-)	20	(426.553.651)	(266.291.372)
OPERATING PROFIT		1.100.653.877	721.544.529
Gains from investment activities	21	59.921.450	49.331.881
Losses from investment activities (-)	21	(4.962.830)	(43.973.773)
Operating profit before financial income/(expense)		1.155.612.497	726.902.637
Financial Income	22	90.906.617	263.668.347
Financial Expense (-)	22	(751.957.536)	(845.265.936)
Net monetary positions gains (losses)		310.800.460	230.966.395
PROFIT BEFORE TAX		805.362.038	376.271.443
Tax income/(expense)		(120.997.822)	(23.593.821)
Current Period income / (expense)		(45.906.091)	-
- Deferred tax income/expense	23	(75.091.731)	(23.593.821)
PROFIT FOR THE PERIOD		684.364.216	352.677.622
Non-Controlling Interests		(33.956.055)	(57.076.784)
Equity Holders of the Parent		718.320.271	409.754.406
Earnings per share attributable to equity holders of the parent (Kr)		0,0205	0,0117

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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		Audited Current Period	Audited Prior Period
		1 January - 31 December 2023	1 January - 31 December 2022
	<i>Notes</i>		
PROFIT FOR THE PERIOD		684.364.216	352.677.622
OTHER COMPREHENSIVE INCOME:			
Items not to be reclassified to profit/loss		14.137.931	(4.441.716)
Property, plant and equipment revaluation surplus	<i>13</i>	-	49.684.020
Gains/(losses) on remeasurements of defined benefit plans	<i>16</i>	18.850.575	(61.446.668)
Gains/(losses) on revaluation and remeasurements	<i>13</i>	-	-
Taxes relating to other comprehensive income not to be reclassified to profit/loss	<i>23</i>	(4.712.644)	7.320.932
Items to be reclassified to profit/loss		(9.751.989)	10.761.928
Currency translation differences		(15.183.156)	(1.890.350)
Gains/(losses) on cash flow hedges	<i>23</i>	6.788.957	15.815.348
Taxes relating to other comprehensive income to be reclassified to profit/loss	<i>23</i>	(1.357.790)	(3.163.070)
OTHER COMPREHENSIVE INCOME		4.385.942	6.320.212
TOTAL COMPREHENSIVE INCOME		688.750.158	358.997.834
Distribution of total comprehensive income;			
Non-Controlling Interests		(33.956.055)	(57.076.784)
Equity Holders of the Parent		722.706.213	416.074.618

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

Convenience Translation Into English Of The Consolidated Financial Statements Originally Issued In Turkish

(Amounts on tables expressed in Turkish Lira (“TL”))

	Paid-in share capital	Capital adjustment differences	Share premium	Treasury shares	Items not to be reclassified to profit/loss		Items to be reclassified to profit/loss		Restricted Reserves	Retained Earnings		Equity Holders of the Parent	Non-controlling interests	Total Equity
					Gains/(losses) on remeasurement of defined benefit plans	Property, plant and equipment revaluation surplus	Gains/(losses) on cash flow hedges	Currency translation differences		Prior Years Income	Profit For the Period			
Prior Period (Audited)														
Balances at 1 January 2022	190.930.233	1.098.202.672	44.576.996	(24.403.359)	(6.636.973)	--	(296.369.570)	(1.133.224)	22.808.888	328.851.073	-	1.356.826.736	(2.487.883)	1.354.338.853
Transfers	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Gains/losses on treasury share transactions	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital increases	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	(49.157.334)	44.715.620	12.652.278	(2.323.395)	--	--	409.754.406	415.641.575	(56.643.741)	358.997.834
Balances at 31 December 2022	190.930.233	1.098.202.672	44.576.996	(24.403.359)	(55.794.307)	44.715.620	(283.717.292)	(3.456.619)	22.808.888	328.851.073	409.754.406	1.772.468.311	(59.131.624)	1.713.336.687
Current Period (Audited)														
Balances at 1 January 2023	190.930.233	1.098.202.672	44.576.996	(24.403.359)	(55.794.307)	44.715.620	(283.717.292)	(3.456.619)	22.808.888	328.851.073	409.754.406	1.772.468.311	(59.131.624)	1.713.336.687
Transfers	-	-	-	-	-	-	-	-	-	409.754.406	(409.754.406)	-	-	-
Effect of Business Combination under Common Control	-	-	-	-	-	-	-	-	-	(159.055.338)	-	(159.055.338)	93.134.427	(65.920.911)
Gains/losses on treasury share transactions	-	-	-	(140.327.083)	-	-	-	-	-	-	-	(140.327.083)	-	(140.327.083)
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	14.137.931	-	5.431.167	(15.183.156)	-	-	718.320.271	722.706.213	(33.956.055)	688.750.158
Balances at 31 December 2023	190.930.233	1.098.202.672	44.576.996	(164.730.442)	(41.656.376)	44.715.620	(278.286.125)	(18.639.775)	22.808.888	579.550.141	718.320.271	2.195.792.103	46.748	2.195.838.851

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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31
DECEMBER 2023 AND 2022

Convenience Translation Into English Of The Consolidated Financial Statements Originally Issued In Turkish
(Amounts on tables expressed in Turkish Lira (“TL”))

		Audited Current Period	Audited Prior Period
	Notes	1 January - 31 December 2023	1 January - 31 December 2022
A) CASH FLOWS FROM OPERATING ACTIVITIES		681.103.161	1.424.971.317
PROFIT FOR THE PERIOD		684.364.216	352.677.622
Adjustments to reconcile profit for the period to cash generated from operating activities:		478.023.448	744.318.067
Depreciation and amortisation	13	477.943.028	511.705.850
Adjustments for Impairment Loss (Reversal)	6	(9.402.116)	2.510.106
<i>Adjustments for Receivables Impairment (Reversal)</i>		<i>(9.402.116)</i>	<i>2.510.106</i>
Adjustments for Provision for Employee Benefits	15	8.551.386	56.218.133
Adjustments for Provision for Warranty	15	17.906.742	6.558.753
Adjustments for Other Provisions		1.284.962	3.912.714
Adjustments for tax income/expense	23	57.072.341	11.243.288
Adjustments for interest income and expenses	22	476.148.991	382.233.453
<i>Adjustments for interest expenses</i>	22	<i>582.536.905</i>	<i>436.488.851</i>
<i>Adjustments for interest income</i>	22	<i>(63.322.752)</i>	<i>(19.690.505)</i>
<i>Unearned financial expenses from time purchases</i>	20	<i>(48.751.509)</i>	<i>(37.214.880)</i>
<i>Unearned financial income from time sales</i>	20	<i>5.686.347</i>	<i>2.649.987</i>
Adjustments for unrealised currency translation differences		102.034.083	50.753.181
Adjustments for gains/losses on cash flow hedges	17	5.431.167	12.652.278
Adjustments for losses/(gains) on disposal of non-current assets	21	(54.955.003)	(39.323.226)
<i>Adjustments for losses/(gains) on disposal of property, plant and equipment</i>	21	<i>(54.955.003)</i>	<i>(39.323.226)</i>
Net Monetary Position Loss / Gain		(603.992.133)	(254.146.463)
Changes in Working Capital		(520.100.889)	329.190.092
Gains/Losses on financial investments	12	(252.899.353)	50.021
Gains/Losses on Trade Receivables		(423.345.580)	(169.394.392)
<i>Related Parties</i>	7	<i>76.358</i>	<i>(2.182.843)</i>
<i>Third Parties</i>		<i>(423.421.938)</i>	<i>(167.211.549)</i>
Gains/Losses on Other Receivables Related To Operations	8	(117.222.290)	(43.367.724)
Changes in Inventories	9	(606.771.027)	(376.658.334)
Changes in Prepaid Expenses	11	(219.212.206)	(6.190.481)
Gains/Losses on Trade Payables	6	722.945.009	551.453.473
Gains (losses) in payables due to employee benefits	16	44.337.365	33.762.823
Gains/Losses In Other Payables Related To Operations	8	(26.331.326)	46.344.317
<i>Third Parties</i>		<i>(26.331.326)</i>	<i>46.344.317</i>
Adjustments for other changes in working capital		65.609.144	(14.435.339)
Changes in Deferred Income	11	292.789.375	307.625.728
Cash Flows from Operating Activities		642.286.775	1.426.185.781
Payments for Provisions Related with Employee Benefits	16	(7.089.705)	(1.214.464)
Payments for Other Provisions	23	45.906.091	-
B) CASH FLOWS FROM INVESTING ACTIVITIES		(599.223.788)	(958.332.747)
Cash outflows from purchase of property, plant and equipment and intangible assets	13,14	(658.874.420)	(1.024.177.965)
<i>Property, Plant and Equipment</i>		<i>(637.507.992)</i>	<i>(971.065.916)</i>
<i>Intangible Assets</i>		<i>(21.366.428)</i>	<i>(53.112.049)</i>
Cash inflows from sale of property, plant and equipment and intangible asset	13,14	59.650.632	65.845.218

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31
DECEMBER 2023 AND 2022**

Convenience Translation Into English Of The Consolidated Financial Statements Originally Issued In Turkish
(Amounts on tables expressed in Turkish Lira ("TL"))

C) CASH FLOWS FROM FINANCING ACTIVITES		(79.989.022)	(202.050.854)
Cash outflows from acquisition of treasury shares and other equity instruments		(140.327.083)	-
Interest paid		(458.547.169)	(334.986.640)
Cash inflows from borrowings	5	2.098.227.055	1.045.803.943
Cash outflows from lease liabilities	13	(65.683.483)	(35.868.969)
Cash outflows from repayments of borrowings	5	(1.498.874.813)	(866.349.700)
Cash Inflows (Outflows) Arising from the Merger Effect of Businesses Subject to Common Control		(65.920.911)	-
Cash inflows from related parties		51.137.382	(10.649.488)
Net Increase Decrease in Foreign Cash and Cash Equivalents Before the Effect of Currency Translation Differences		1.890.351	264.587.716
Inflation effect		(205.014.231)	116.393.667
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(203.123.880)	380.981.383
D) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	521.526.492	140.545.109
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	4	318.402.612	521.526.492