YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi

A) Audit of the Consolidated Financial Statements

1) Opinion

We have audited the accompanying consolidated financial statements of Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi (the "Parent Company") and its subsidiaries (referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other 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 comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, 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, Auditing Standards Authority (the "POA") and Capital Markets Board (the "CMB").

Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group 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 consolidated 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.

3) Emphasis of Matter

Within the scope of the "Announcement on Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation" dated 23 November 2023 published by the POA, the financial statements dated 31 December 2023 were subject to inflation adjustment within the scope of IAS 29 "Financial Reporting in Economies with High Inflation" standard. In this context, we draw attention to footnote No. 2, which contains explanations regarding the transition to inflation accounting. This issue does not affect the opinion given by us.

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4) 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. Key audit matters were addressed in the context of our independent 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'	**How to perform of matter in audit**
Revenue of the Group mainly consists of Beds, furniture, blanket, seat, home textile products mainly by retail. The Company only recognizes the revenue when it fulfils the obligation of performance through transferring the committed goods or services to its customers Revenue is the main indicator of the performance of the Group. Revenue, reflected to the consolidated financial statements, is determined as key audit matter due to the control risk to be ensured on processing adequacy heavy data. .	- Evaluating the adequacy of Group's accounting policy on revenue recognition, - Evaluating the controls of the projections, implementations and process of management, - The process of revenue recognition was discussed with the process owners in the eye of the management, and the design, implementation and operation of the important controls regarding the process were evaluated. - Evaluation of compliance of the company's accounting policies with TFRS 15 "Revenue from Contracts with Customers" through selection of sales contracts by sampling model, - To examine through the sales documents received for the sales transactions selected by the sample when transfer of the control takes place. Thus, evaluate the appropriateness of the revenue to the accounting policies and the fact that it is recognized in the reporting period, - Analytical studies to determine the presence of unusual transactions, Based on our audit procedures, we did not have any significant findings regarding revenue.

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

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.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Our aim is 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 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 consolidated 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 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.

- 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 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 independent 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.

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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 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) 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 2023 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 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Group's Board of Directors on May 16, 2024.

3. 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.

The engagement partner who supervised and concluded on this independent auditor's report is Abdulkadir SAYICI.

İstanbul, May 16, 2024

PKF Aday Bağımsız Denetim A.Ş.
(A Member Firm of PKF International)

Abdulkadir SAYICI
Partner

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

ASSETS	Note	Audited 31 December 2023	Audited 31 December 2022
CURRENT ASSETS			
Cash And Cash Equivalents	4	526.066.478	563.133.788
Financial Investments	10	11.649.394	--
Trade Receivables		1.664.018.176	1.227.752.174
Due From Related Parties	*3-5*	--	*2.256.110*
Trade Receivables, Third Parties	*5*	*1.664.018.176*	*1.225.496.064*
Other Receivables		2.097.146	3.874.084
Due From Related Parties	*3-6*	*130.560*	*1.540.151*
Other Receivables, Third Parties	*6*	*1.966.586*	*2.333.933*
Inventories	8	2.083.789.791	2.176.312.808
Prepaid Expenses		622.609.165	350.574.460
Due From Related Parties	*3-9*	*2.888.651*	--
Prepaid Expenses, *Third Parties*	*9*	*619.720.514*	*350.574.460*
Other Current Assets	7	720.021.170	690.591.270
TOTAL CURRENT ASSETS		**5.630.251.320**	**5.012.238.584**
NON-CURRENT ASSETS			
Financial Investments	10	1.119.650	444.650
Other Receivables		6.049.958	4.494.188
Due From Related Parties	*3-6*	--	--
Other Receivables, Third Parties	*6*	*6.049.958*	*4.494.188*
Right of Use Assets	13	857.439.993	135.746.834
Investment Properties	11	130.524.000	77.874.415
Tangible Fixed Assets	12	3.927.469.667	3.465.714.444
Intangible Fixed Assets	14	306.980.950	218.083.427
Prepaid Expenses		61.819.366	161.214.239
TOTAL NON-CURRENT ASSETS		**5.291.403.584**	**4.063.572.197**
TOTAL ASSETS		**10.921.654.904**	**9.075.810.781**

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

LIABILITIES	**Note**	**Audited 31 December 2023**	**Audited 31 December 2022**
CURRENT LIABILITIES			
Financial Liabilities	15	1.425.229.688	1.319.417.933
Short Term Portion Of Long Term Financial Liabilities	15	966.542.148	681.193.300
Lease Payables	15	163.419.628	65.871.876
Trade Payables		1.479.947.029	1.437.729.270
Due To Related Parties	*3-5*	--	--
Trade Payables, Third Parties	*5*	*1.479.947.029*	*1.437.729.270*
Employee Benefit Obligations	16	196.205.347	143.181.927
Other Payables		1.370.157	1.339.327
Due To Related Parties	*3-6*	--	--
Other Payables, Third Parties	*6*	*1.370.157*	*1.339.327*
Deferred Income	16	504.388.713	422.972.188
Current Income Tax Liabilities	30	68.080.627	57.787.423
Provisions	17	3.180.786	11.550.415
Other Current Liabilities	7	43.783.292	61.010.071
TOTAL CURRENT LIABILITIES		**4.852.147.415**	**4.202.053.730**
NON-CURRENT LIABILITIES			
Financial Liabilities	15	725.666.539	259.757.108
Lease Payables	15	338.352.229	31.751.269
Deferred Income	9	8.659.958	25.894.133
Provisions		43.556.629	56.499.330
Provision For Employee Benefits	*18*	*43.556.629*	*56.499.330*
Deferred Tax Liabilities	30	278.199.441	265.925.586
TOTAL NON-CURRENT LIABILITIES		**1.394.434.796**	**639.827.426**
EQUITY			
Paid-In Capital	20	149.798.932	149.798.932
Inflation Adjustment on Capital	20	968.108.195	968.108.195
Buy-Back Shares (-)	20	(165.659.262)	(165.659.262)
Other Comprehensive Income Not To Be Reclassified To Profit Or Loss		19.333.696	(12.373.897)
Actuarial Gain/Loss Arising From Defined Benefit Plans	*20*	*19.333.696*	*(12.373.897)*
Other Comprehensive Income To Be Reclassified To Profit Or Loss		(25.999.377)	(13.527.445)
Currency Translation Differences	*20*	*(25.999.377)*	*(13.527.445)*
Restricted Reserves	20	290.733.165	280.005.460
Retained Earnings	20	2.738.409.734	2.677.639.503
Net Income For The Period		700.347.610	349.938.139
Non-Controlling Interests		**--**	**--**
EQUITY HOLDERS OF THE PARENT		**4.675.072.693**	**4.233.929.625**
TOTAL LIABILITES		**10.921.654.904**	**9.075.810.781**

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 1 JANUARY - 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

INCOME/LOSS	**Note**	***Audited*** **1 January- 31 December 2023**	***Audited*** **1 January- 31 December 2022**
Revenue	21	13.532.815.118	12.756.701.265
Cost Of Sales (-)	22	(9.747.461.253)	(9.542.366.377)
Gross profit		**3.785.353.865**	**3.214.334.888**
General Administrative Expenses (-)	23	(61.464.486)	(51.214.732)
Marketing, Selling And Distribution Expenses (-)	23	(2.473.217.555)	(2.469.058.557)
Research And Development Expenses (-)	23	(415.700.633)	(366.620.311)
Other Income From Operating Activities	24	831.500.227	386.591.181
Other Expenses From Operating Activities (-)	25	(971.602.337)	(313.838.776)
Operating Profit / Loss		**694.869.081**	**400.193.693**
Income From Investment Activities	26	62.624.421	10.087.861
Expenses From Investment Activities (-)	27	--	--
OPERATING INCOME BEFORE FINANCIAL INCOME		**757.493.502**	**410.281.554**
Financial Expenses (-)	28	78.478.526	24.531.165
Financial Income	29	(885.852.244)	(351.547.812)
Monetary Gain / (Loss)		1.044.483.058	506.414.620
PROFIT BEFORE TAX		**994.602.842**	**589.679.527**
Tax income/(expense)		**(294.255.232)**	**(239.741.388)**
Taxes On Income	30	(187.668.502)	(227.863.398)
Deferred Tax Income/(Expense)	30	(106.586.730)	(11.877.990)
PERIOD PROFIT / LOSS		**700.347.610**	**349.938.139**
Earnings Per Share			
Earnings Per Share (Kr)	31	4,68	2,34
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income/Expense Not To Be Reclassified To Profit Or Loss		**31.707.593**	**(12.373.897)**
Actuarial Gain/Loss Arising From Defined Benefit Plans	18	41.931.170	(16.069.997)
Tax Income/(Expense)		**(10.223.577)**	**3.696.100**
Deferred Tax (Expense) Income	*30*	*(10.223.577)*	*3.696.100*
Other Comprehensive Income/Loss To Be Reclassified To Profit Or Loss		**(12.471.932)**	**5.646.405**
Currency Translation Differences	20	(12.471.932)	5.646.405
OTHER COMPREHENSIVE INCOME (LOSS)		**19.235.661**	**(6.727.492)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**719.583.271**	**343.210.647**

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 1 JANUARY - 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

				Other Comprehensive Income/Expense Not to Be Reclassified To Profit Or Loss	Other Comprehensive Income/Loss to Be Reclassified To Profit Or Loss				
	Paid In Capital	Inflation Adjustment on Capital	Buy-Back Shares	Actuarial Gain/Loss Arising from Defined Benefit Plans	Currency Translation Differences	Restricted Reserves	Retained Earnings	Net Income for The Period	Total Equity
	(Note 20)	(Note 20)	(Note 20)	(Note 20)	(Note 20)	(Note 20)	(Note 20)	(Note 20)	(Note 20)
Balance as of December 31, 2021	**149.798.932**	**968.108.195**	**(164.659.520)**	**--**	**(19.173.850)**	**234.554.823**	**2.925.602.289**	**--**	**4.094.230.869**
Net Period Profit/(Loss)	--	--	--	--	--	--	--	349.938.139	349.938.139
Transfers	--	--	--	--	--	44.940.007	(44.940.007)	--	--
Total Comprehensive Income	--	--	--	(12.373.897)	5.646.405	--	--	--	(6.727.492)
Capital Increase	--	--	--	--	--	--	--	--	--
Dividends	--	--	--	--	--	--	(199.555.680)	--	(199.555.680)
Increase/(Decrease) Due to Share Repurchase Transactions	--	--	(999.742)	--	--	510.630	(510.630)	--	(999.742)
Increase/(Decrease) Due to Other Changes	--	--	--	--	--	--	(2.956.469)	--	(2.956.469)
Balance as of December 31, 2022	**149.798.932**	**968.108.195**	**(165.659.262)**	**(12.373.897)**	**(13.527.445)**	**280.005.460**	**2.677.639.503**	**349.938.139**	**4.233.929.625**
Transfer of Previous Period's Profit	--	--	--	--	--	--	349.938.139	(349.938.139)	--
Net Period Profit/(Loss)	--	--	--	--	--	--	--	700.347.610	700.347.610
Transfers	--	--	--	--	--	10.727.705	(10.727.705)	--	--
Total Comprehensive Income	--	--	--	31.707.593	(12.471.932)	--	--	--	19.235.661
Dividends	--	--	--	--	--	--	(285.926.495)	--	(285.926.495)
Increase/(Decrease) Due to Other Changes	--	--	--	--	--	--	7.486.292	--	7.486.292
Balance as of December 31, 2023	**149.798.932**	**968.108.195**	**(165.659.262)**	**19.333.696**	**(25.999.377)**	**290.733.165**	**2.738.409.734**	**700.347.610**	**4.675.072.693**

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED AT 1 JANUARY – 31 DECEMBER 2023 AND 2022
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

CASH FLOWS FROM OPERATING ACTIVITIES	Note	Audited 1 January- 31 December 2023	Audited 1 January- 31 December 2022
Net Income/(Loss)		700.347.610	349.938.139
Adjustments for Net Income/(Loss) Reconciliation			
Adjustments for Depreciation and Amortization Expense	12-13-14	550.924.130	563.859.461
Adjustments for Impairment (Reversal) Losses		9.931.192	14.699.902
Adjustments for Impairment (Reversal) Losses on Receivables	5	*(142.178)*	*6.009.497*
Adjustments for Impairment (Reversal) Losses on Inventory	8	*10.073.370*	*8.690.405*
Adjustments for Provisions		9.267.420	17.997.506
Adjustments for Employee Benefits Provisions (Reversal)	18	*9.267.420*	*17.997.506*
Adjustments for Litigation and/or Penalty Provisions (Reversal)	17	(8.369.629)	329.114
Adjustments for Interest (Income) and Expenses		556.194.307	138.628.638
Adjustments for Interest Income	28	(11.041.819)	(8.052.698)
Adjustments for Interest Expenses	29	*577.798.617*	*177.031.184*
Deferred Financing Expenses Arising from Deferred Purchases	5	(86.317.048)	(55.090.769)
Unearned Finance Income Arising from Deferred Sales	5	*75.754.557*	*24.740.921*
Adjustments for Realized Gains/(Losses) on Investment Properties	29	(48.164.077)	--
Adjustments for Tax (Income) Expense	30	304.478.809	236.045.288
Adjustments Related to Losses (Gains) Arising from Disposal of Non-Current Assets	26	2.298.808	3.328.062
Adjustments for Monetary (Gains)/Losses		844.065.464	219.154.297
Pre-change in Net Assets		**2.920.974.034**	**1.543.980.407**
Changes in Operating Working Capital			
Decrease (Increase) in Financial Investments		(12.324.394)	(260.000)
Decrease (Increase) in Trade Receivables Adjustments		(994.512.859)	(532.620.620)
Decrease (Increase) in Other Receivables Related to Operations Adjustments		(3.068.435)	(1.163.284)
Decreases (Increases) in Inventories Adjustments		(582.215.364)	(595.959.526)
Decrease (Increase) in Prepaid Expenses		(312.151.909)	(199.752.740)
Increase (Decrease) in Trade Payables Adjustments		693.712.154	421.627.715
Increase (Decrease) in Employee Benefits Payable Related to Operations		177.065.721	65.629.960
Increase (Decrease) in Other Payables Related to Operations Adjustments		557.325	31.630
Increase (Decrease) in Deferred Revenue (Other than Liabilities Arising from Customer Contracts)		229.286.160	144.568.165
Decrease (Increase) in Other Assets Related to Operations		(300.904.195)	(248.854.604)
Increase (Decrease) in Other Liabilities Related to Operations		6.756.533	31.164.829
Cash Flows from Operating Activities		**1.823.174.771**	**628.391.932**
Payments Made Within the Scope of Provisions Related to Benefits Provided to Employees	18	(36.049.298)	(15.439.582)
Tax Refunds (Payments)	30	(176.318.018)	(232.636.414)
Other Cash Inflows (Outflows)		7.486.292	(2.956.469)
Changes in Operating Working Capital		**1.618.293.747**	**377.359.467**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows from Sales of Property, Plant, and Equipment	12-14	50.867.457	3.424.939
Cash Outflows from Purchases of Property, Plant, and Equipment	12-14	(959.957.635)	(698.819.303)
Cash Flows Used in Investing Activities		**(909.090.178)**	**(695.394.364)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows from Repurchase of Company Shares	20	--	(999.742)
Cash Inflows from Borrowings	15	4.096.624.599	2.038.770.623
Cash Outflows for Repayment of Borrowings	15	(3.252.964.265)	(703.293.877)
Cash Outflows for Lease Payments Related to Borrowings	15	(535.226.115)	(214.094.634)
Dividends Paid	20	(285.926.495)	(199.555.680)
Interest Paid	29	(545.978.259)	(164.756.867)
Interest Received	28	11.041.819	8.052.698
Cash Flows Used in Financing Activities		**(512.428.716)**	**764.122.520**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECTS OF FOREIGN CURRENCY TRANSLATION		**196.774.853**	**446.087.623**
Effects of Foreign Currency Translation on Cash and Cash Equivalents	20	**(12.471.932)**	**5.646.405**
Effect of Inflation on Cash and Cash Equivalents		**(221.370.231)**	**(190.127.987)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(37.067.310)**	**261.606.041**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4	**563.133.788**	**301.527.747**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	**526.066.478**	**563.133.788**

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

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

NOTE 1 – ORGANIZATION OF THE GROUP

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi ("Parent Company") and its subsidaries are reffred as "Group" on the notes to the consolidated financial statements.

The summarized information of entities which are consolidated with "complete consolidation method" is comprised of the following;

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi

Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş. ("Company") was established in 1987. The Company's engaged in the production of bed, furniture, quilt, armchair, sofa, home textile and home furniture. The Company acquired and merged with İstanbul Pazarlama Yatak ve Yorgan Sanayi Ticaret A.Ş ("Yataş İstanbul Pazarlama A.Ş.") on 28 Feburary 2011. The Company established 'Yatas Europe GMBH' On 10.07.2015 as owner of 100% shares. Therefore the Company begin to prepare its consolidated financial statements in complete consolidation method.

For the period ended at 31 December 2023, 3.700 personnel are employed at the Company (31 December 2022: 3.513).

Company registered on the Kayseri Chamber of Industry with the number of 14222 and its legal adres Organize Sanayi Bölgesi 18. Cadde No:6 Melikgazi / Kayseri. The Company's operating activities located on the Turkey. The Company has 103 stores located on Turkey.

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa Istanbul ("BIST") since 1996.

Company's shareholding structure is mentioned in Note 20.

Yatas Europe GMBH

Yatas Europe Gmbh ("Yatas Europe") was established in 10.07.2015 in Germany. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture.

For the period ended at 31 December 2023, 8 personnel are employed by the Company (31 December 2022: 15 Personnel).

Yatas Europe's shareholding structure as of 31 December 2023 in EUR are as following;

	31 December 2023		31 December 2022	
Shareholders	**Share Percentage**	**Share Amount (EUR)**	**Share Percentage**	**Share Amount (EUR)**
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	100.000	%100,00	100.000
Total	**%100,00**	**100.000**	**%100,00**	**100.000**

Yatas Rus Ltd.

Yatas Rus Limidet Şirketi ("Yatas Rus"), was established in 03.07.2019 in Russia. The capital of Yataş Rus Limited Şirketi, which is a 100% subsidiary of the Company, is 3,500,000 rubles, fully paid as of the reporting date. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture. For the period ended at 31 December 2023, 10 personnel are employed by the Yatas Rus. Yatas Rus's shareholding structure as of (31 December 2022: 9 Personnel).

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31 December 2023 in RUBLE is as following;

	31 December 2023		31 December 2022	
Shareholders	**Share Percentage**	**Share Amount (RUB)**	**Share Percentage**	**Share Amount (RUB)**
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	3.500.000	%100,00	3.500.000
Total	**%100,00**	**3.500.000**	**%100,00**	**3.500.000**

EnzaHome International Inc.

EnzaHome International Inc. (“EnzaHome”), was established in 21.02.2020 in ABD. The capital of EnzaHome, which is a 100% subsidiary of the company, is USD 50,000, fully paid as of the reporting date. The Company’s engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture. For the period ended at 31 December 2023, 5 personnel are employed by the EnzaHome. EnzaHome’s shareholding structure as of (31 December 2022: 5 Personnel).

31 December 2023 in USD is as following;

	31 December 2023		31 December 2022	
Shareholders	**Share Percentage**	**Share Amount (USD)**	**Share Percentage**	**Share Amount (USD)**
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	50.000	%100,00	50.000
Total	**%100,00**	**50.000**	**%100,00**	**50.000**

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.a. Basis of Presentation

Compatibility Statement

The consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Financial Reporting Standards (TFRS) issued by Public Oversight Accounting and Auditing Standards Authority (POAASA). TFRS contains Turkish Financial Reporting Standards (TFRS) and its addendum and interpretations. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year’s consolidated financial statements.

The Company maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries and associates operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The consolidated financial statements, except for the financial asset/liabilities and land, buildings presented with their fair values, are maintained under historical cost conversion in TRY. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

Approval of Consolidated Financial Statements

Consolidated financial statements of the Group are approved by the Board of Directors and granted authority to publish on May 16, 2024. With no intention, the Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

Financial Statements Correction in High Inflation Period

In accordance with the decision dated 28 December 2023 and numbered 81/1820 of the Capital Markets Board ("CMB"), it has been decided to apply inflation accounting by applying the provisions of TAS 29 starting from the annual financial statements of issuers subject to accounting/financial reporting standards and capital market institutions as of the year ended 31 December 2023.

In accordance with the announcement and "Practice Guide on Financial Reporting in High Inflationary Economies" published by the Public Oversight Accounting and Auditing Standards Authority ("POAASA") on 23 November 2023, the Group has prepared its consolidated financial statements for the year ended 31 December 2023 using the TAS 29 "Financial Reporting in High Inflationary Economies" Standard. Pursuant to this standard, financial statements prepared based on the currency of a high inflationary economy are expressed in terms of the purchasing power of that currency at the balance sheet date, and comparative information for prior periods is also expressed in the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements as of 31 December 2022 in terms of purchasing power as of 31 December 2023.

The adjustments made in accordance with TAS 29 have been made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TSI"). As of 31 December 2023, the indices and adjustment coefficients used in the correction of the consolidated financial statements are as follows:

Date	Index	Correction Coefficient	Three-Year Compound Inflation Rate
December 31, 2023	1.859,38	1,00000	%268
December 31, 2022	1.128,45	1,64773	%156
December 31, 2021	686,95	2,70672	%74

The main elements of the adjustment process undertaken by the Group for financial reporting in high inflationary economies are as follows:

- Current period consolidated financial statements prepared in Turkish Lira (TRY) are expressed in terms of the purchasing power at the reporting date, and amounts for previous reporting periods are also adjusted to reflect the purchasing power at the end of the reporting period.

- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the reporting date. If the inflation-adjusted values of non-monetary items exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 are applied, respectively.

- Non-monetary assets and liabilities as well as equity items not expressed in terms of the current purchasing power during the reporting period are adjusted using the relevant adjustment coefficients.

- All items in the comprehensive income statement, except those affecting the comprehensive income statement of non-monetary items in the financial position statement, are indexed using coefficients calculated based on the periods when income and expense accounts were initially recognized in the financial statements.

- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the consolidated income statement as a loss on net monetary position.

Currency

The financial statements and the prior period financial statements for comparison purpose, in the accompanying statements are prepared in terms of Turkish Lira (TRY).

Subsidiaries Operating in Countries Other Than Turkey's Financial Statements

The financial statements of subsidiaries operating in countries other than Turkey are prepared in accordance with the laws and regulations applicable in the country where they operate, and necessary adjustments and classifications have been reflected for the correct presentation in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards and their related appendices and interpretations published by the Public Oversight Accounting and Auditing Standards Authority.

The assets and liabilities of the related subsidiaries are converted into Turkish Lira using the exchange rate at the date of the consolidated financial position table, and income and expenses are converted using the average exchange rate for the accounting period ending on the same date. The exchange differences arising from the use of the exchange rate at the date of the financial position table and the average rate are shown under the “Foreign Currency Conversion Differences” item in the financial position table.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Basis of Consolidation

The companies are subject to “Complete Consolidation Method” if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies’ operations are belonging to the Parent Company. Parent Company has controlling rights if it is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The companies which have continuous relationship on management and power to govern Parent Company’s policies and/or which have direct or indirect capital and management relationship or which have voting share of Parent Company between the rates 20-50% are accounted by using equity pick-up method.

Complete Consolidation Method

The principles of consolidation followed in the preparation of the accompanying financial statements are as follows:

- The financial statements of the consolidated subsidiaries have been equipped according to the accounting principles of the Parent Company.

- The share of the Parent Company in the shareholders equity of subsidiaries is eliminated from the financial of subsidiaries these are adjusted according to the accounting principles of financials of the Parent Company.

- The income statements of the Parent Company and the subsidiaries are consolidated a line by line basis and the transaction between companies are eliminated mutually. Consolidation of income statements of subsidiaries held in an audit period are based on the investment date and the items after the holding date are included.

- The minority part of shareholders’ equity including paid capital of the companies subject to consolidation is classified as “Minority Interest” in accompanying financial statement.

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The portion of the third parties other than consolidated companies in the net profit or losses of the subsidiaries are classified as "Minority Interest" in the income statements. The 100% shares of the subsidiary is owned by the Parent Company therefore minortiy interest is not occured.

As of 31 December 2023, the Company that are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company are as below;

	Ownership of the Parent Company	
Subsidiaries	**(Direct)**	**(Direct+ Indirect)**
Yatas Europe Gmbh	100,00%	100,00%
Yatas Rus Limidet	100,00%	100,00%
EnzaHome International Inc.	100,00%	100,00%

2.b. Amendments in Turkish Financial Reporting Standards ("TFRS")

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to TAS 12	*International tax reform - pillar two model rules*

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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Amendments to TAS 12 *International Tax Reform - Pillar two model rules*

These amendments provide a temporary exception to the requirements for deferred tax assets and liabilities related to Pillar two model income tax.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*
Amendments to TAS 7 and TFRS 7	*Supplier Finance Agreements*
IFRS S1	*General Requirements for Disclosure of Sustainability-Related Financial Information*
IFRS S2	*Climate-related Disclosures*

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

Amendments to TFRS 17 *Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information*

Amendments have been made to TFRS 17 to reduce implementation costs, improve disclosure of results and ease transition.

The amendment also permits entities that are first-time adopters of TFRS 7 and TFRS 9 to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset.
These amendments will be applied when TFRS 17 is first adopted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 on Supplier Finance Arrangements

Amendments to IAS 7 and IFRS 7 on Supplier Finance Arrangements; effective from annual periods beginning on or after 1 January 2024.

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

IFRS 1, 'General requirements for disclosure of sustainability-related financial information;

IFRS 1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions.

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

IFRS 2, 'Climate-related disclosures';

IFRS 2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024.

This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.c. Changes in Accounting Policies

The Group changes accounting policies when it is believed that the change will lead to better presentation of transactions and events in the financial statements. When the intentional change can affect the prior period results, the change is applied retrospectively as though it was already applied before. Accounting policy changes arising from the application of a new standard are applied considering the transition principles of the related standard, if any, retrospectively or forward. If no transition principle for the standard exists, the changes are applied retrospectively.

2.d. Changes in Accounting Estimates and Errors

The accompanying consolidated financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by the Group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements. Changes in accounting estimates and errors explained in title of "Comparative Information and Previous Periods Financial Statements Adjustments".

Comparative Information and Previous Periods Adjustments

For the purpose of conducting a comparison of financial position and performance trend, Group's current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

2.e. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests.

Financial Instruments

Classification and Measurement

Group classifies its financial assets in three categories of financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The appropriate classification of financial assets is determined at the time of the purchase.

"Financial assets measured at amortised cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortised cost comprise "cash and cash equivalents" and "trade receivables". Financial assets carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortised cost are accounted for under the consolidated statement of income.

"Financial assets measured at fair value through other comprehensive income", are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Changes regarding the classification of financial assets and liabilities in terms of TFRS 9 are summarised below. Related changes in classification do not result in changes in measurement of the financial assets and liabilities.

Financial assets	**Classification under TAS 39**	**Classification under TFRS 9**
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost
Financial investments	Fair value through profit or loss	Fair value through profit or loss
Financial liabilities	**Classification under TAS 39**	**Classification under TFRS 9**
Borrowings	Amortised cost	Amortised cost
Trade payables	Amortised cost	Amortised cost

Impairment

"Expected credit loss model" defined in TFRS 9 "Financial Instruments" superseded the "incurred credit loss model" in TAS 39 "Financial Instruments: Recognition and Measurement" which was effective prior to 1 January 2019. Expected credit losses are a probability weighted estimate of credit losses over the expected life of the financial instrument. The calculation of expected credit loss is performed based on the past experiences and future expectations of the Group.

Trade Receivables

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

Buy-Back Shares

The buy back shares are reflected in the "Buy-Back Shares disclosure" account under shareholders' equity in the Consolidated Financial Statements in accordance with the II-22.1 of the CMB's Communiqué on "Acquisition of Buy Back Shares". In addition, the shares are classified in "Restricted reserves" in accordance with the related communiqué.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred. For the periods ended there is no capitalized borrowing cost.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the “weighted average” method. Cost elements included in inventories are materials, labour and factory overheads. The cost of borrowings is not included in the costs of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale.

Tangible Fixed Assets and Amortisations

Tangible fixed assets except lands, buildings are carried at cost, restated by deduction of the yearly accumulated depreciation. Land and buildings are valued with their fair values. Borrowing costs are recognized in accordance with TAS-23 as an element of the book value of assets that are manufactured by the entity. Entities may subject their tangible assets to revaluation. Depreciation is calculated on a straight-line basis over the adjusted amounts and at the rates that reflect the economic useful lives of the following assets Land is considered as limitless useful life, so it is not subject to depreciation. Expected useful life, residual value and amortization method are reviewed for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates.

The depreciation rates for property, plant and equipment, which approximate the useful economic lives of these assets, are as follows:

	<u>Useful Life</u>
Buildings	25-50 years
Land improvements	8-25 years
Property, plant and equipment	5-14 years
Motor vehicles	4-10 years
Furniture, fixtures and office equipment	5-25 years
Leasehold improvements	Rental Period - 5-10 years

Property, plant and equipment are reviewed for possible impairment and the carrying value of the tangible asset is reduced to its recoverable amount if the recoverable amount is greater than its recoverable amount. The recoverable amount is recognized as the higher of net cash flows from the current use of the property, plant and equipment and net selling price.

Appraisal reports containing fair value of property, plant and equipment held for sale is not obtained, Therefore method of deducting selling prices from fair value has not been applied. Property, plant and equipment held for sale are stated at cost in the financial statements.

Intangible Fixed Assets

Intangible fixed assets comprise of rights and they are recorded at acquisition cost. Intangible fixed assets are amortized on a straight-line method with prorate basis over period of between 3-10 years from the date of acquisition.

Investment Property

Investment properties, which are properties, held to earn rentals and/or for capital appreciation are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

TFRS 16 Leases (It will be implemented as of January 1, 2019.)

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.
b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset.
The Group has the right to direct use of asset if either:
i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the Group; and

To apply a cost model, the Group measure the right-of-use asset at cost:

a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any remeasurement of the lease liability.

The Group applies the straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:
a) fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in substance fixed lease payments.
Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the rightof- use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:
a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:
a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

The Group account for a lease modification as a separate lease if both:
a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

Leases with a lease term of 12 months or less and leases of low-value assets determined by the Group are evaluated in scope of the exemption of TFRS 16 and payments associated with those leases are recognised on a straight-line basis as an expense in profit or loss.

Impairment of Assets

The Group evaluates whether there is an indicator for the decrease in value related to the asset for the rest of every assets of financial assets which are shown with the deferred tax and fair value, or not, at the every financial statement date. If there is an indicator, the regain amount of this asset is estimated. Impairment occurred if the topic assets or the net book value of unit which is belong to assets that produce cash is higher than the regain amount which was gained with the help of using or sale. In the related period, impairment lost is accounted in the income statement. Impairment loss of assets is reversed in the manner of not passing the amount of impairment which was saved before, in the situation of association an amount which was occur at the period which is following registration of impairment with the following increase in regain amount of this assets.

Severance Pay Provision / Employee Benefits

- **Severance Pay**

Under Turkish Labor Law, Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies.

The Group has reflected the severance pay liability calculated on the balance sheet date on the financial statements using the expected inflation rate and the real discount rate based on the principles stated above for the financial statements.

The Group has calculated severance pay liability on the financial statements in the accompanying consolidated financial statements using the "Projection Method" based on the experience gained over the past years by the Group in completing the personnel service period and entitlement to termination indemnity and discounting it with the government treasury rate at the balance sheet date. All calculated gains and losses are reflected in the income table.

- **Social Insurance Premium**

Group pays social security contribution to social security organization compulsorily. So long as Group pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

Fair value estimation:

The Group's various accounting policies and footnote disclosures require fair value for both financial and non-financial assets and liabilities. The fair values are determined by the following methods for valuation and / or disclosure purposes.

Where feasible, the assumptions used in the determination of fair value are presented in the footnotes related to the asset or liability as additional information. Level-by-level valuation methods are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Tax

In the accompanying Consolidated Financial Statements, the tax consists of corporate tax provision and deferred tax. The corporation tax that will be arise from the results of the period's operations have set aside a provision for the income tax liabilities at the statutory tax rates that are valid at the balance sheet date.

The Group recognizes deferred tax on the temporary timing differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with TFRS and statutory financial statements which is used in the computation of taxable profit. The related differences are generally due to the timing difference of the tax base of some income and expense items between statutory and TFRS financial statements. The Group has deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, which could reduce taxable income in the future periods. All or partial amounts of the realizable deferred tax assets are estimated in current circumstances. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset.

Revenue recognition

Group recognises revenue based on the following five principles in accordance with the TFRS 15 - “Revenue from Contracts with Customers Standard” effective from 1 January 2019:

- Identification of customer contracts
- Identification of performance obligations
- Determination of the transaction price in the contracts
- Allocation of transaction price to the performance obligations
- Recognition of revenue when the performance obligations are satisfied

Group evaluates each contracted obligation separately and respective obligations, committed to deliver the goods or perform services, are determined as separate performance obligations

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group 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 Group 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 Group's collection 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 Group expects, at contract inception, that the period between when the Group 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.

Interest income

Interest income is accrued in proportion as effective interest rate which reduces estimated cash addition to recorded value of the asset in corresponding period.

Dividend and other incomes

Dividend income which obtained from share investments, is recorded when shareholders' have the right to get dividend.

Other incomes are recorded with the possibility of having the worth giving service or accrual of the facts related with income, making the transfer of risk and benefit, determination of income amount and enrolment of economic benefits related with the procedure.

Accounting Estimates

The accompanying consolidated financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by the Group management to be compatible with statements required by Public Oversight Accounting and Auditing Standards Authority. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements. Comments those would have significant effect on balances reflected in the financial statements and important expectations and valuations considering present or future expectation as of report date, are as following.

Provision for inventories
Inventories are valued at the lower of cost or net realizable value. The Group management has determined that some of its inventories cost value are higher than the their net realizable value as of the balance sheet date. Management of the company has estimated the future cash flow amounts, replacement costs and the sales prices may be generated in the ordinary business activity from the sale of inventories in the calculation of the impairment.

Provision for doubtful receivables
Provision for doubtful receivables reflects the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which is subject to collection risk considering the current economical conditions. During the impairment test for the receivables, the debtors are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables is presented in Note 5.

Useful lifetime of tangible and intangible assets
Group reserves provision for depreciation regarding to Note 2.d that refers to useful lifetime on fixed assets. Information about useful lifetime is described in Note 2.d.

Provision for lawsuits
While setting provision for lawsuits, it has considered probability to lose lawsuit, then the consequences of loosing case by the legal advisor of the Group. Details of the lawsuits provisions are in Note 19 based on the estimation by utilizing information given by Group Management.

Severance pay provision
Severance pay provision is calculated with actuarial expectation based on assumptions like discount rates, salary increase in the future and probability to quit the job. This planning covers long term concerns. Hence assumptions involve vital uncertainty. Provisions for employee benefits are given in detail in Note 18.

Deferred Tax
The Group recognizes deferred tax on the temporary timing differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with IFRS and statutory financial statements which is used in the computation of taxable profit. The related differences are generally due to the timing difference of the tax base of some income and expense items between statutory and IFRS financial statements. The Group has deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, which could reduce taxable income in the future periods. All or partial amounts of the realizable deferred tax assets are estimated in current circumstances.

The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the revaluation, as of reporting date, temporary differences due to tax incentives can be foreseen and the fraction falls in continuity of tax incentives within the context of tax legislations, can be benefited from and is to be tax assets and accounted. As of balance sheet date, the details regarding deferred tax calculations are stated in Note 30.

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are recognized when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Contingent Liabilities and Assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of the Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

Foreign Currency Assets and Liabilities

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange profit and loss are reflected to the income statements.

	31 December 2023	31 December 2022
USD	29,4382	18,6983
EUR	32,5739	19,9349
GBP	37,4417	22,4892
CHF	34,9666	20,2019
RUBLE	0,3261	0,2595
CNY	4,1212	2,6806

Effects of Change in Currency Rate

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of Group and taking position according to approved limits.

Earnings Per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year. In Turkey, companies can increase their share capital by making distribution of “bonus shares” to existing shareholders from inflation adjustment difference in shareholder’s equity. For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of “bonus shares” issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

Other Balance Sheet Items

Other balance sheet items are mainly reflected at book value.

Cash Flow Statement

The Group prepares statement of cash flows to inform users of financial statements about changes in net assets and ability to direct financial structure, amounts and timing of cash flows according to changing situations. In the statement of cash flows, current period cash flows are grouped according to operating, financing, and investing activities. Operating cash flows resulting from activities in scope of Group's main operating scope. Cash flows related to investing activities are cash flows resulting from investing activities (fixed investments and financial investments) of the company. Cash flows related to financing activities comprise of funds used in financing activities of the Group and their repayments. Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value.

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Post Balance Sheet Events

In the case that events requiring a correction to be made occur subsequent, the Group makes the necessary corrections to the consolidated financial statements. In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 35).

Reporting of Financial Information by Segments

The Group does not have an activity area to report activity according to the departments.

Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these financial statements shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Group's Board of Directors and their families. In the course of conducting its business, the Group conducted various business transactions with related parties on commercial terms:

NOTE 3 – RELATED PARTY TRANSACTIONS

	31 December 2023		31 December 2022	
	Trading	Non-Trading	Trading	Non-Trading
Short Term Trade Receivables (Note 5)				
Süntaş Sünger ve Yatak San.Tic. A.Ş. *(in liquidation)*	--	--	2.256.110	--
Other Receivables (Note 6)				
Receivables from Shareholders	--	130.560	--	1.540.151
Prepaid Expenses (Note 9)				
Bostancı Otelcilik ve Turizm İşletmesi A.Ş.	--	2.888.651	--	--
Total	**--**	**3.019.211**	**2.256.110**	**1.540.151**

Sales to and / or income from related parties:

None (31 December 2022: None).

Purchases and / or expenses from related parties:

	1 January – 31 December 2023		
	Service Purchase	Rent Expenses	Other
Bostancı Otelcilik ve Turizm İşletmesi A.Ş.	2.969.681	--	--
Yavuz Altop	--	2.345.006	--
Yılmaz Öztaşkın	--	2.345.006	--
Other Shareholders	--	4.690.013	--
Total	**2.969.681**	**9.380.025**	**--**

	1 January – 31 December 2022		
	Tangible Fixed Asset Purchases	Rent Expenses	Other
Süntaş Sünger ve Yatak San.Tic. A.Ş. *(in liquidation)*	140.468.913	2.519.632	134.283
Yavuz Altop	--	2.557.633	--
Yılmaz Öztaşkın	--	2.557.633	--
Other Shareholders	--	5.029.570	--
Total	**140.468.913**	**12.664.468**	**134.283**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

The total amount of benefits provided to the senior management such as the chairman and members of the board of directors, general manager, general coordinator, and general manager of the Group for the period ended 31 December 2023 is TRY 115.548.054 (31 December 2022: TRY 84.361.895).

4 – CASH AND CASH EQUIVALENTS

As of 31 December 2023, and 31 December 2022, the details of cash and cash equivalents are as follows:

	31 December 2023	31 December 2022
Cash	317.758	240.746
Banks	299.333.392	366.167.411
-Demand deposits	*265.957.598*	*353.253.544*
-Time deposits	*33.375.794*	*12.913.867*
Liquid funds[1]	226.415.328	*196.725.631*
Total	**526.066.478**	**563.133.788**

[1]Liquid funds consist of receivables arising from credit card sales.

5 – TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Short Term Trade Receivables

	31 December 2023	31 December 2022
Trade Receivables	1.331.163.240	841.463.108
- Trade Receivables from related parties (note 3)	--	*2.256.110*
- Other trade Receivables	*1.331.163.240*	*839.206.998*
Notes Receivables	408.609.493	411.029.987
- Other notes Receivables	*408.609.493*	*411.029.987*
Unearned Interest (-)	(75.754.557)	(24.740.921)
Doubtful trade receivables	21.504.309	35.667.548
Provision for doubtful trade receivables (-)	(21.504.309)	(35.667.548)
Total	**1.664.018.176**	**1.227.752.174**

The maturity schedule of receivables are as follows:

	31 December 2023	31 December 2022
Up to 3 months	1.123.471.091	889.125.371
3 to 12 months	616.301.642	363.367.724
Total	**1.739.772.733**	**1.252.493.095**

The movement schedule of provision for doubtful trade receivables is as follows:

	31 December 2023	31 December 2022
Opening balance	35.667.548	48.719.161
Additional provisions in the period	2.992.138	8.104.092
Cancellation of provision in period (-)	(3.134.316)	(2.094.595)
Monetary Loss/Gain	(14.021.061)	(19.061.110)
Total (End of the peridod)	**21.504.309**	**35.667.548**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Trade Payables

Short Term Trade Payables

	31 December 2023	31 December 2022
Trade payables	1.421.823.031	1.241.008.749
Notes payables	144.441.046	251.811.290
Unearned interest (-)	(86.317.048)	(55.090.769)
Total	**1.479.947.029**	**1.437.729.270**

Long Term Trade Payables

None (31 December 2022: None).

As of 31 December 2023, and 31 December 2022 maturity schedule of payables are as follows:

	31 December 2023	31 December 2022
Up to 3 months	1.416.849.403	1.477.055.804
3 to 12 months	149.414.674	15.764.235
Total	**1.566.264.077**	**1.492.820.039**

6 – OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables

	31 December 2023	31 December 2022
Receivables from related parties (Note 3)	130.560	1.540.151
Receivables from personnel	1.948.486	1.309.696
Doubtful other receivables	6.829.662	11.253.433
Provision for doubtful other receivables (-)	(6.829.662)	(11.253.433)
Other	18.100	1.024.237
Total	**2.097.146**	**3.874.084**

The movement schedule of provision for doubtful other receivables is as follows:

	31 December 2023	31 December 2022
Opening balance	11.253.433	11.793.625
Additional provisions in the period	--	4.074.001
Cancellation of provision in period (-)	--	--
Monetary Loss/Gain	(4.423.771)	(4.614.193)
Total (End of the peridod)	**6.829.662**	**11.253.433**

Long Term Other receivables:

	31 December 2023	31 December 2022
Deposits and guarantees given	6.049.958	4.494.188
Total	**6.049.958**	**4.494.188**

The aging of the Group's other receivables according to their maturities is as follows:

	31 December 2023	31 December 2022
3 to 12 months	2.097.146	3.874.084
1 to 5 Years	6.049.958	4.494.188
Total	**8.147.104**	**8.368.272**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Short Term Other Payables

	31 December 2023	31 December 2022
Deposits and guarantees received	851.035	890.685
Other sundry payables	519.122	448.642
Total	**1.370.157**	**1.339.327**

The aging of the company's other liabilities according to their maturities is as follows:

	31 Aralık 2023	31 Aralık 2022
3 to 12 months	1.370.157	1.339.327
Total	**1.370.157**	**1.339.327**

7 – OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 December 2023	31 December 2022
Deferred VAT	700.661.047	680.324.021
Business Advances	1.651.206	344.583
Advances Given to Personnel	14.126.805	6.644.089
Other VAT	3.582.112	3.278.577
Total	**720.021.170**	**690.591.270**

Other Current Liabilities

	31 December 2023	31 December 2022
Taxes and dues payable	36.596.497	53.488.703
Other liabilities	7.186.795	7.521.368
Total	**43.783.292**	**61.010.071**

8 – INVENTORIES

	31 December 2023	31 December 2022
Raw materials	852.278.789	369.923.794
Work in process	66.754.550	55.777.266
Finished goods	529.066.648	1.733.036.094
Merchandises	625.086.649	23.071.277
Other inventories	25.950.696	3.194.782
Provision for Stock Value Decrease (-)	(15.347.541)	(8.690.405)
Total	**2.083.789.791**	**2.176.312.808**

The related inventory items are reported net by deducting their provisions for impairment. As of 31 December 2023, there is insurance coverage amounting to TRY 1.842.762.500 on inventories (31 December 2022: TRY 1.909.932.331)

The movements in the provision for stock value decrease are as follows:

	31 December 2023	31 December 2022
Beginning of period provision amount	8.690.405	--
Additional provisions allocated during the period	10.073.370	8.690.405
Monetary loss/gain	(3.416.234)	--
End of period total provision amount	**15.347.541**	**8.690.405**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

9 – PREPAID EXPENSES

Short-Term Prepaid Expenses

	31 December 2023	31 December 2022
Advances Given for Orders	561.802.705	344.738.619
- Order Advances Given to Related Parties (Note 3)	*2.888.651*	--
- Order Advances Given to Other Parties	*558.914.054*	*344.738.619*
Expenses for Future Months	60.806.460	5.835.841
Total	**622.609.165**	**350.574.460**

Long-Term Prepaid Expenses

	31 December 2023	31 December 2022
Advances Given for Orders	3.633.186	--
Expenses for Future Years	38.186.180	117.050.827
Advances Given for Fixed Asset Orders	20.000.000	44.163.412
Total	**61.819.366**	**161.214.239**

Short-Term Deferred Income

	31 December 2023	31 December 2022
Advances received	504.388.713	422.972.188
Total	**504.388.713**	**422.972.188**

Long-Term Deferred Income

	31 December 2023	31 December 2022
Revenues for future years	8.659.958	25.894.133
Total	**8.659.958**	**25.894.133**

10 – FINANCIAL INVESTMENTS

The fair values of financial investments are classified as follows due to the data used to determine the levels. As of 31 December 2023, and 31 December 2022 financial investments is as following;

Short-Term Financial Investments;

	31 December 2023	31 December 2022
Private Cut Bond Bill Bond	11.649.394	--
Total	**11.649.394**	**--**

Long term financial investments (Available-for-sale financial assets)

	31 December 2023		31 December 2022	
	(%)	TRY	(%)	TRY
Kay-Ser A.Ş.	1,45%	16.240	3,65%	16.240
R&D Centre Venture Capital Fund	38,26%	428.410	96,35%	428.410
Startup-1 Venture Capital Investment Fund	60,29%	675.000	--	--
Total	**100%**	**1.119.650**	**100%**	**444.650**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

The fair values of financial investments are classified as follows due to the data used to determine the levels.

31 December 2023	**Level 1**	**Level 2**	**Level 3**
Kay-Ser A.Ş.	--	--	16.240
R&D Centre Venture Capital Fund	--	--	428.410
Startup-1 Venture Capital Investment Fund			675.000

31 December 2022	**Level 1**	**Level 2**	**Level 3**
Kay-Ser A.Ş.	--	--	16.240
R&D Centre Venture Capital Fund	--	--	428.410

11 – INVESTMENT PROPERTIES

Cost	**Lands**	**Buildings**	**Total**
1 January 2022	**45.187.608**	**32.686.807**	**77.874.415**
Addition	--	--	--
Disposals	--	--	--
31 December 2022	**45.187.608**	**32.686.807**	**77.874.415**
Addition	--	--	--
Fair value increase (*)	37.012.190	11.151.890	48.164.081
Transfer	706.742	3.778.763	4.485.504
Disposals	--	--	--
31 December 2023	**82.906.540**	**47.617.460**	**130.524.000**
Accumulated depreciation (-)			
1 January 2022	**--**	**--**	**--**
Charge for the period	--	--	--
Disposals	--	--	--
31 December 2022	**--**	**--**	**--**
Charge for the period	--	--	--
Disposals	--	--	--
31 December 2023	**--**	**--**	**--**
Net book value, 31 December 2022	**45.187.608**	**32.686.807**	**77.874.415**
Net book value, 31 December 2023	**82.906.540**	**47.617.460**	**130.524.000**

(*) Lands and buildings are registered in the Capital Markets Board's list of Makro Gayrimenkul Değerleme A.Ş. The depreciation amount calculated from the fair values determined in the valuation studies dated 31 December 2023, made by the Company, is reflected in the financial statements by deducting it.

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

12 TANGIBLE FIXED ASSETS

Cost	Lands	Land improvements	Buildings	Plants, machinery and equipment	Vehicles	Fixtures and fittings	Leasehold improvements	Construction in progress	Total
1 January 2022	**467.506.831**	**3.436.201**	**1.813.439.331**	**1.212.638.198**	**47.018.760**	**780.314.464**	**631.873.477**	**36.493.089**	**4.992.720.351**
Addition	9.718.612	14.830	270.440.427	42.361.176	3.917.384	149.479.792	78.550.552	26.576.160	581.058.933
Disposals	--	--	--	(33.588.437)	(1.505.169)	(2.879.994)	(7.249.221)	--	(45.222.821)
31 December 2022	**477.225.443**	**3.451.031**	**2.083.879.758**	**1.221.410.937**	**49.430.975**	**926.914.262**	**703.174.808**	**63.069.249**	**5.528.556.463**
Addition	--	--	23.482.529	44.001.723	18.636.440	124.118.278	62.678.638	504.972.991	777.890.599
Transfer	(706.742)	--	(3.778.762)	--	--	--	--	--	(4.485.504)
Disposals	--	(147.716)	(28.726.171)	(1.307.287)	(1.297.237)	(17.399.125)	(6.064.241)	--	(54.941.777)
31 December 2023	**476.518.701**	**3.303.315**	**2.074.857.354**	**1.264.105.373**	**66.770.178**	**1.033.633.415**	**759.789.205**	**568.042.240**	**6.247.019.781**
Accumulated depreciation (-)									
1 January 2022	**--**	**1.123.343**	**252.120.987**	**584.805.292**	**39.314.168**	**494.406.692**	**471.910.557**	**--**	**1.843.681.039**
Charge for the period	--	131.224	26.082.484	75.327.820	3.696.321	90.509.857	61.883.094	--	257.630.800
Disposals	--	--	--	(33.588.437)	(1.502.869)	(2.256.900)	(1.121.614)	--	(38.469.820)
31 December 2022	**--**	**1.254.567**	**278.203.471**	**626.544.675**	**41.507.620**	**582.659.649**	**532.672.037**	**--**	**2.062.842.019**
Charge for the period	--	119.452	42.357.307	78.299.068	4.987.089	92.892.811	66.458.319	--	285.114.046
Disposals	--	--	(6.053.137)	(1.115.779)	(1.010.549)	(16.105.125)	(4.121.361)	--	(28.405.951)
31 December 2023	**--**	**1.374.019**	**314.507.641**	**703.727.964**	**45.484.160**	**659.447.335**	**595.008.995**	**--**	**2.319.550.114**
Net book value, 31 December 2022	**477.225.443**	**2.196.464**	**1.805.676.287**	**594.866.262**	**7.923.355**	**344.254.613**	**170.502.771**	**63.069.249**	**3.465.714.444**
Net book value, 31 December 2023	**476.518.701**	**1.929.296**	**1.760.349.713**	**560.377.409**	**21.286.018**	**374.186.080**	**164.780.210**	**568.042.240**	**3.927.469.667**

As of 31 December 2023, there is insurance amounting to TRY 3.701.414.300 on property, plant and equipment The liability amounts for fixed assets are mentioned in Note 19 (31 December 2022: TRY 2.770.684.638).

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

13 RIGHT OF USE ASSETS

The movement table of the right of use assets as of 31 December 2023 is as follows:

	Vehicles	Buildings	Total
1 January 2022 balance	**40.532.335**	**683.058.001**	**723.590.336**
Additions	5.250.497	95.290.987	100.541.484
Disposals	--	--	--
31 December 2022 balance	**45.782.832**	**778.348.988**	**824.131.820**
Changes in Estimates and Assumptions	(14.691.740)	174.916.089	160.224.349
Additions	22.755.835	49.598.999	72.354.834
Disposals	--	--	--
31 December 2023	**53.846.927**	**1.002.864.076**	**1.056.711.003**
Accumulated depreciation (-)			
1 January 2022 balance	**33.807.689**	**414.887.710**	**448.695.399**
Charge for the period	7.802.350	231.887.237	239.689.587
Disposals	--	--	--
31 December 2022 balance	**41.610.039**	**646.774.947**	**688.384.986**
Charge for the period	(41.610.039)	(646.774.947)	(688.384.986)
Disposals	15.807.884	183.463.126	199.271.010
31 December 2023	**15.807.884**	**183.463.126**	**199.271.010**
Net book value of 31 December 2022	**4.172.793**	**131.574.041**	**135.746.834**
Net book value of 31 December 2023	**38.039.043**	**819.400.950**	**857.439.993**

14 - INTANGIBLE FIXED ASSETS

Cost	**Patents / Brands / Licenses / Other**	**Active Development Costs**	**Total**
1 January 2022	**289.684.708**	**36.121.504**	**325.806.212**
Addition	52.078.685	60.100.863	112.179.548
Disposals	--	--	--
31 December 2022	**341.763.393**	**96.222.367**	**437.985.760**
Addition	115.699.684	66.367.352	182.067.036
Disposals	(1.706.835)	(36.190.367)	(37.897.202)
31 December 2023	**455.756.242**	**126.399.352**	**582.155.594**
Accumulated depreciation (-)			
1 January 2022	**158.162.283**	**781.798**	**158.944.081**
Charge for the period	47.223.719	13.734.533	60.958.252
Disposals	--	--	--
31 December 2022	**205.386.002**	**14.516.331**	**219.902.333**
Charge for the period	48.105.283	18.433.791	66.539.074
Disposals	(1.053.834)	(10.212.929)	(11.266.763)
31 December 2023	**252.437.451**	**22.737.193**	**275.174.644**
Net book value, 31 December 2022	**136.377.391**	**81.706.036**	**218.083.427**
Net book value, 31 December 2023	**203.318.791**	**103.662.159**	**306.980.950**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

The distribution of depreciation expenses is as follows:

	31 December 2023	31 December 2022
Tangible fixed assets	285.114.046	257.630.800
Intangible fixed assets	66.539.074	66.539.074
Right of use assets	199.271.010	239.689.587
Total	**550.924.130**	**563.859.461**

15 - FINANCIAL BORROWINGS

As of December 31, 2023 and December 31, 2022, the details of the financial debts are as follows;

Short Term Financial Borrowings

	31 December 2023	31 December 2022
Bank Loans	1.402.985.692	1.178.355.099
Debts from Leasing Transactions	163.419.628	65.871.876
Financial Leasing Debts	7.941.892	--
Deferred Financial Leasing Borrowing Costs (-)	(972.025)	--
Other Financial Debts	15.274.129	141.062.834
Total	**1.588.649.316**	**1.385.289.809**

Current Instalments of Long-Term Financial Liabilities

	31 December 2023	31 December 2022
Current Instalments of Long-Term Financial Liabilities	966.542.148	681.193.300
Total	**966.542.148**	**681.193.300**

Long Term Financial Borrowings

	31 December 2023	31 December 2022
Bank Loans	718.522.372	259.757.108
Debts from Leasing Transactions	338.352.229	31.751.269
Financial Leasing Debts	7.534.787	--
Deferred Financial Leasing Borrowing Costs (-)	(390.620)	--
Total	**1.064.018.768**	**291.508.377**

Liabilities given for bank borrowings are mentioned in Note 19.

The details of the bank loans are as follows:

31 December 2023

Currency Type	Maturity Range	Weighted Average Effective Interest Rate	Short Term	Long Term
TRY	January 2024-February 2033	38,62%	1.797.223.846	620.105.252
USD	February 2024-September 2024	8,02%	107.449.430	--
EUR	April 2024-November 2026	6,70%	407.736.953	98.417.120
CNY	May 2024-October 2024	6,85%	57.117.611	--
Total			**2.369.527.840**	**718.522.372**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

31 December 2022

Currency Type	Maturity Range	Weighted Average Effective Interest Rate	Short Term	Long Term
TRY	January 2023-April 2027	21,12%	1.611.241.276	73.221.211
USD	September 2023	7,54%	13.597.371	--
EUR	March 2023-November 2026	5,51%	234.709.752	186.535.897
Total			**1.859.548.399**	**259.757.108**

The details of the financial leases are as follows;

31 December 2023

	Currency	Amount	TRY Value
Short-term financial lease liabilities			
Financial lease debts (principal + interest)	EUR	190.501	7.677.633
Minus: Interest expense for future months	EUR	(24.187)	(707.766)
Total			**6.969.867**
Long-term financial lease liabilities			
Financial lease debts (principal + interest)	EUR	284.624	7.534.787
Minus: Interest expense for future months	EUR	(17.646)	(390.620)
Total			**7.144.167**
The principal amount of financial lease liabilities shown in the financial statements			**14.114.034**

Maturity schedule of banks borrowings are as follows:

	31 December 2023	31 December 2022
Up to 3 months	811.486.387	765.167.708
3 to 12 months	1.743.705.077	1.301.315.401
1 to 5 years	810.367.758	288.110.386
Over 5 years	253.651.010	3.397.991
Total	**3.619.210.232**	**2.357.991.486**

16 – EMPLOYEE BENEFIT LIABILITIES

	31 December 2023	31 December 2022
Personnel wage liabilities	99.028.639	73.809.859
Taxes and funds to be paid related to personnel	22.950.379	15.444.330
Social security deductions to be paid related to personnel	74.226.329	53.927.738
Total	**196.205.347**	**143.181.927**

17 – PROVISIONS

	31 December 2023	31 December 2022
Expense accruals	1.819.213	10.286.035
Provisions for litigation	1.361.573	1.264.380
Total	**3.180.786**	**11.550.415**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

18 – PROVISIONS FOR EMPLOYEE BENEFITS

	31 December 2023	31 December 2022
Beginning of the Period	56.499.330	44.097.047
Severance pay provision allocated in the current period	9.267.420	17.997.506
Monetary loss/gain	(22.210.121)	(5.595.223)
Closing balance	**43.556.629**	**56.499.330**

The movement of the provision for employee benefits is as follows;

	31 December 2023	31 December 2022
Balance at the beginning	56.499.330	44.097.047
Cost of services	85.786.797	16.848.302
Interest cost	(42.803.501)	16.069.997
Actuarial profit / (loss)	2.333.422	518.789
Severance pay paid in the period	(36.049.298)	(15.439.582)
Monetary Loss/Gain	(22.210.121)	(5.595.223)
Closing balance	**43.556.629**	**56.499.330**

	31 December 2023	31 December 2022
Discount rate	27,05%	20,40%
Inflation rate	22,01%	19,00%
Net discount rate	4,13%	1,18%
Real wage increase rate	22,01%	19,00%
Probability of leaving the job by receiving severance pay	95,00%	98,00%
Severance pay ceiling	23.490	19.340

19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

Given GSM (Guarantee-Security-Mortgage) by Group	31 December 2023	31 December 2022
A. Total Amount of GSM Given on Behalf of Legal Entity	837.737.993	1.092.796.414
B. Total Amount of GSM Given for Partnerships which are Included in Full Consolidation	--	--
C. Total Amount of GSM Given for the Purpose of Guaranteeing Third Party Loans to Carry the Regular Trade Activities	--	--
D. Total Amount of Other GSM Given	--	--
i. Total Amount of GSM Given for the Parent Company	--	--
ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses	--	--
iii. Total Amount of GSM Given for Third Parties not Included in C Clause	--	--
Total	**837.737.993**	**1.092.796.414**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Letters of guarantee - As of 31 December 2023, the Group has given letters of guarantee amounting to TRY 610.045.853 to the suppliers and other corporations. The details of the letters of guarantee are as below:

31 December 2023	Foreign currency	Amount	TRY equivalent
Electricity Distribution Companies	TRY	4.489.660	4.489.660
Executive Directorate	TRY	9.184.092	9.184.092
Customs Directorate	TRY	3.141.215	3.141.215
Gas Distribution Companies	TRY	172.245	172.245
Private sector	TRY	29.807.789	29.807.789
Private sector	EUR	97.280	3.168.789
Private sector	CNY	--	--
Private sector	USD	572.000	16.838.650
Turkey Export Credit Bank	EUR	7.934.001	258.441.355
Turkey Export Credit Bank	CNY	15.407.600	63.497.801
Turkey Export Credit Bank	USD	2.240.000	65.941.568
Turkey Export Credit Bank	RUB	85.000.000	27.719.350
Turkey Export Credit Bank	TRY	127.448.000	127.448.000
State Supply Office	TRY	195.339	195.339
Total			**610.045.853**

31 December 2022	Foreign currency	Amount	TRY equivalent
Electricity Distribution Companies	TRY	2.061.660	3.397.057
Executive Directorate	TRY	8.602.894	14.175.240
Customs Directorate	TRY	921.783	1.518.849
Gas Distribution Companies	TRY	133.000	219.148
Private sector	TRY	50.798.706	83.702.510
Private sector	EUR	97.280	3.195.387
Private sector	USD	572.000	17.623.169
Turkey Export Credit Bank	EUR	10.153.800	333.525.083
State Supply Office	TRY	300.000	494.319
Ministry of Interior Disaster and Emergency	TRY	469.800	774.103
Ministry of National Defense	TRY	45.339	74.707
Total			**458.699.572**

As at 31 December 2023, mortgages on various tangible assets of the Group amounting to TRY 227.692.140 (31 December 2022: TRY 304.551.005).

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Foreign currency		TRY equivalent	
Bills given (TRY)	158.000.000	329.545.837	158.000.000	329.545.837
Total	**158.000.000**	**329.545.837**	**158.000.000**	**329.545.837**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Contingent Asset

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Foreign currency		TRY equivalent	
Letters of Guarantee (TRY)	936.586.500	519.303.000	936.586.500	855.670.710
Letters of Guarantee (USD)	4.117.500	3.200.000	121.211.789	98.591.151
Letters of Guarantee (EUR)	405.000	880.000	13.192.430	28.905.639
Mortgages (TRY)	417.987.501	283.932.500	417.987.501	467.843.867
Mortgages (Abroad) (USD)	3.775.000	4.325.000	111.129.205	133.252.103
Checks Received (TRY)	2.650.000	2.850.000	2.650.000	4.696.028
Total			**1.602.757.424**	**1.588.959.497**

20 – SHARE CAPITAL

20.1 Paid in Capital

The registered capital of the parent company is TRY 150.000.000 (31 December 2022: TRY 150.000.000).

In accordance with the decision of the Board of Directors dated 27.03.2019 the Company increased TRY 95.988.292 to TRY 149.798.933 to be covered by the paid capital ceiling.

Paid-in capital of the parent company each 1 TRY. of the total shares of the Company with a nominall amount of TRY 149.798.932 (31 December 2022: TRY 149.798.932).

The shareholding structure of the parent company as of 31 December 2023 and 31 December 2022 is as follows;

	31 December 2023		31 December 2022	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Hacı Nuri Öztaşkın	12.427.403	8,30%	12.427.403	8,30%
Yılmaz Öztaşkın	10.940.192	7,30%	10.940.192	7,30%
Bostancı Otelcilik ve Turizm İşletmesi A.Ş	8.467.847	5,65%	8.467.847	5,65%
Other [1]	117.963.490	78,75%	117.963.490	78,75%
Total	**149.798.932**	**100,00%**	**149.798.932**	**100,00%**
Inflation Adjustment on Capital	968.108.195		968.108.195	
Total	**1.117.907.127**		**1.117.907.127**	

[1] Includes nominal repurchase shares amounting to TRY 36.439.256 at the rate of 4,03% stated.

20.2 Previous Years Profits, Restricted Reserves, Fair Value Reserves and Other Capital Reserves

BIST Companies (Public Quoted Companies on Turkish Capital Market Board) distribute dividends according to the Communiqué No: II-19.1 on the dividend distribution effective from 01 February 2014 of the CMB. The arrangements and explanations in the Dividend Communiqué are summarized below.

The profit distribution will be distributed again with the decision of the General Assembly within the framework of the Dividend Distribution Policy to be determined by the General Assembly. While partnerships determine profit distribution policies, they will also decide whether to distribute dividends. In this framework, profit distribution is in principle an elderly person. The SPK will be able to set different principles for profit distribution policies according to the qualifications of the companies.

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

In the profit distribution policies of the partnership:

- Whether the profit is not to be distributed and distributed,
- Profit share ratios and the account to be applied to these ratios,
- Payment methods and time,
- Whether the dividend will be distributed as cash or bonus shares (for companies traded on the stock exchange)
- There are issues to be distributed and not to distribute profit share advance.

The upper limit of the profit share to be distributed is the distributable amount of the relevant profit distribution resources included in the statutory records. The dividend is distributed equally to all of the existing shares as a rule at the date of distribution. The acquisition and export dates of the shares are not taken into account. It can not be decided to allocate another reserves and to transfer the profit to the next year unless reserve is made in accordance with the Turkish Commercial Law and the dividend foreseen for the shareholders in the articles of association and profit distribution policy.

On condition that whether it is in the Articles of incorporation, dividends distributable to privileged shareholders or non-beneficial owner of the shares, members of the board of directors, employees. However, dividends can not be distributed to usufruct shareholders, members of the board of directors, employees and other people without paying cash dividends determined for shareholders. In principle, the Communiqué presumes that the amount to be distributed may be up to ¼ of the profit share distributed to the shareholders, unless a determination is made in the main agreement regarding the amount of the dividends to be paid to the listed persons, except for the preferential shares. If the dividend is to be distributed to people outside the shareholder and payment by instalments is in question, the instalment amounts shall be paid according to the instalments to be paid to the shareholders and according to the same principles.

The new Capital Markets Law and the new Communiqué provide the opportunity for donations from partnerships. However, it is sought to make provision in the substantive contracts. The CMB will be able to set an upper limit, as the amount of donations can be determined by the general assemblies.

Companies whose shares are quoted in the stock exchange:

- Proposal of board of directors for dividend distribution
- Or the decision of the board of directors on the distribution of dividends
- Dividend distribution table or profit share advance distribution table

announced to the public. It is obligatory for the dividend distribution chart to be disclosed to the public at the latest when the ordinary general assembly schedule is announced.

Restricted reserves that are separated from profits

	31 December 2023	**31 December 2022**
Beginning of the Period	280.005.460	234.554.823
Total of those allocated in the current period	10.957.679	44.940.007
Increase/Decrease Due to Share Repurchase Transactions	--	510.630
Increase/Decrease Due to Other Changes	(229.974)	--
Total	**290.733.165**	**280.005.460**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Actuarial gain on severance pay/ loss (-)

	31 December 2023	31 December 2022
Beginning of the Period	(12.373.897)	--
Defined benefit plan remeasurement gains/losses (actuarial gain loss)	41.931.170	(16.069.997)
Taxes Related to Other Comprehensive Income Not to be Reclassified to Profit or Loss	(10.223.577)	3.696.100
Total	**19.333.696**	**(12.373.897)**

Foreign currency conversion differences

Currency conversion differences as of 31 December 2023 and 31 December 2022 are as follows;

	31 December 2023	31 December 2022
1 January	(13.527.445)	(19.173.850)
Addition	(12.471.932)	5.646.405
Total	**(25.999.377)**	**(13.527.445)**

Foreign currency translation differences consist of foreign currency exchange differences arising from the translation of foreign currency financial statements from the current currency to the reporting currency.

Buy back shares (-)

As 31 December 2023 and 31 December 2022 buy back shares as following;

	31 December 2023	31 December 2022
Beginning of the period	(165.659.262)	(164.659.520)
Buy back shares	--	(999.742)
Total	**(165.659.262)**	**(165.659.262)**

In accordance with II-22.1 "Communiqué on Buy Back Shares" issued by the CMB, the Group has purchased the shares quoted in the Exchange Market.

As of 31 December 2023, the Group has Purchased 6.035.734 shares amounting to TRY 36.439.256 that is 4,03% of its total capital and reflected it in the accompanying financial statements under "Buy back shares in Equity".

In addition, in accordance with the related communiqué, the amount of buy back shares is reclassed in "restricted reserves’’.

As of December 31, 2023, the comparison of the related Equity items presented in the financial statements of the Group adjusted for inflation, with the amounts adjusted for inflation in the financial statements prepared according to legal legislation, is as follows:

	Amounts adjusted for inflation in Financial statements prepared according to Legal Legislation	Amounts adjusted for inflation in financial statements prepared according to TFRS	Differences observed in past year profits
Inflation Adjustment on Capital	1.527.747.844	968.108.195	(559.639.649)
Restricted reserves that are separated from profits	114.287.333	82.495.932	(31.791.401)

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

21 – REVENUE

For the periods ended at 31 December 2023 and 2022, the details of sales are as following;

	1 January – 31 December 2023	1 January – 31 December 2022
Domestic sales	14.545.762.561	14.370.354.948
Export sales	1.145.733.423	1.237.231.378
Other sales	43.495.475	78.563.604
Gross Sales	**15.734.991.459**	**15.686.149.930**
Sales returns (-)	(356.143.693)	(370.973.619)
Sales discounts (-)	(1.838.420.974)	(2.551.438.819)
Other discounts (-)	(7.611.674)	(7.036.227)
Sales returns and Discounts (-)	**(2.202.176.341)**	**(2.929.448.665)**
Net Sales	**13.532.815.118**	**12.756.701.265**

22 – COST OF SALES (-)

For the periods ended at 31 December 2023 and 2022, the details of cost of sales are as following;

	1 January – 31 December 2023	1 January – 31 December 2022
Cost of finished goods sold	7.587.840.916	7.319.267.653
Cost of merchandise	2.018.659.814	2.089.546.325
Cost of services sold	140.960.523	133.552.399
Total	**9.747.461.253**	**9.542.366.377**

23 – RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (-)

	1 January – 31 December 2023	1 January – 31 December 2022
Research and development expenses	61.464.486	51.214.732
Marketing, sales and distribution expenses	2.473.217.555	2.469.058.557
General administrative expenses	415.700.633	366.620.311
Total	**2.950.382.674**	**2.886.893.600**

Fees for service receive from independent auditor/ independent audit firms

The Group's explanation regarding the fees for the service received from the independent audit firms which is based on the letter of POA dated August 19,2022, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2022, are as follows:

	1 January – 31 December 2023	1 January – 31 December 2022
Audit and assurance fee	549.000	543.751
Tax consulting fee	366.280	622.842
Other assurance services fee	20.000	--
Other service fee apart from audit	243.000	16.477
Total	**1.178.280**	**1.183.070**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

EXPENSES BY NATURE (-)

	1 January – 31 December 2023	1 January – 31 December 2022
Personnel expenses	1.030.594.646	814.672.938
Transportation expenses	433.166.745	577.017.557
Depreciation expense	462.746.243	484.653.541
Advertising expenses	507.783.638	480.578.135
Dealer opening support	61.537.121	74.760.624
Rent expenses	7.347.747	101.270.008
Consultancy expense	56.529.818	49.495.160
Electricity, water, heating expenses	41.805.538	48.096.276
Common area expenses of stores	29.006.552	20.432.031
Travel, transportation, accommodation expense	40.082.729	29.321.425
Severance pay provision expenses	35.839.013	9.509.513
Material expense	27.757.929	25.488.349
Maintenance repair expense	17.909.221	15.675.848
Tax, picture, stamp expenses	4.025.814	4.795.554
Insurance expenses	17.061.187	6.448.594
Communication expenses	4.645.823	2.785.705
Decoration expense	14.299.941	16.996.420
Other expenses	158.242.969	124.895.922
Total	**2.950.382.674**	**2.886.893.600**

24 – OTHER INCOME FROM OPERATING ACTIVITIES

	1 January – 31 December 2023	1 January – 31 December 2022
Exchange rate difference income	433.178.769	75.328.435
Maturity difference income	130.041.252	142.652.739
Rediscount revenues	111.057.969	56.622.704
Incentive revenues	39.781.869	33.440.227
Discounts, Discounts and turnover premiums	35.395.844	17.265.384
Union incentive revenues	6.314.840	9.382.697
Bank commission income	19.167.852	17.142.442
Matters that are no longer reserved	3.134.316	7.222.729
Other revenues	53.427.516	27.533.824
Total	**831.500.227**	**386.591.181**

25 – OTHER EXPENSE FROM OPERATING ACTIVITIES (-)

	1 January – 31 December 2023	1 January – 31 December 2022
Exchange Rate Difference Expense	323.485.950	60.961.103
Forward Purchase Expense Difference	358.055.697	215.040.550
Rediscount Expenses	130.845.326	24.740.921
Donation Expenses	6.957.883	1.144.625
Provision Expenses	2.992.138	10.083.498
Other Expenses	149.265.343	1.868.079
Total	**971.602.337**	**313.838.776**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

26 – INCOME FROM INVESTMENT ACTIVITIES

	1 January – 31 December 2023	1 January – 31 December 2022
Investment Property Value Increase	48.164.077	--
Investment Property Rental Income	4.022.936	--
Fixed Asset Sale Profits	2.298.808	3.328.062
Dividend Income	8.138.600	6.759.799
Total	**62.624.421**	**10.087.861**

27 – INVESTMENT ACTIVITIES EXPENSES (-)

None (31 December 2022: None).

28 – FINANCIAL INCOME

	1 January – 31 December 2023	1 January – 31 December 2022
Foreign exchange income	67.436.707	16.478.467
Interest income	11.041.819	8.052.698
Total	**78.478.526**	**24.531.165**

29 – FINANCIAL EXPENSES (-)

	1 January – 31 December 2023	1 January – 31 December 2022
Foreign exchange losses	191.704.716	103.568.638
Interest expenses	559.387.959	169.646.540
Bank commission expenses	107.245.194	64.111.371
Lease payables interest accruals	18.410.658	7.384.644
Guarantee letter commison expenses	4.211.304	3.634.355
Other financial expenses	4.892.413	3.202.264
Total	**885.852.244**	**351.547.812**

30 – TAX ASSETS AND LIABILITIES

In Turkey, as of December 31, 2023, the corporate tax rate is 25% (2022: 25%). However, with the 91st article of the Law No. 7061 “Amending Some Tax Laws and Other Laws” published in the Official Gazette No. 30261 dated December 5, 2017, and the temporary 10th article added to the Corporate Tax Law No. 5520, it is envisaged that the corporate tax to be paid on the earnings of corporations for the tax periods of 2018, 2019, and 2020 will be calculated at a rate of 23% and then continue to be taxed at a rate of 20%. During this period, the Council of Ministers has been given the authority to reduce the rate of 22% to 20%.

As of the period ending on December 31, 2023, in accordance with tax legislation, provisional tax is calculated and paid at a rate of 25% (2022: 25%) on the earnings formed every three months, and the amounts paid in this way are offset from the tax calculated on the annual income.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years, and tax accounts can be revised. Dividend payments made to real persons who are resident and non-resident in Turkey and to legal persons who are not resident in Turkey by joint-stock companies resident in Turkey, except those who are not liable for corporate tax and income tax and those who are exempt, are subject to 15% income tax.

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Dividend payments made by joint-stock companies resident in Turkey to other joint-stock companies resident in Turkey are not subject to income tax. Also, if the profit is not distributed or added to the capital, income tax is not calculated.

Exemption for Real Estate and Subsidiary Share Sales Gains

Dividend earnings obtained by corporations from their participation in the capital of another corporation subject to full liability (excluding dividend earnings from investment fund participation certificates and investment partnership shares) are exempt from corporate tax. In addition, 75% of the earnings from the sale of participation shares and real estate (immovables) founder's certificates, usufruct certificates, and pre-emption rights, which corporations have held in their assets for at least two full years, are exempt from corporate tax as of December 31, 2023.

However, with the amendment made by Law No. 7061, this rate has been reduced from 75% to 50% for immovables and this rate will be used as 50% in tax declarations to be prepared from 2019 onwards. To benefit from the exemption, the relevant earnings must be kept in a fund account in the passive and must not be withdrawn from the business for 5 years. The sales price must be collected by the end of the second calendar year following the year in which the sale was made. There are many exemptions for corporations in the Corporate Tax Law. The ones related to the Company are explained below:

Since 75% of the earnings from the sale of real estate (immovables) in the Group's assets for at least two full years were exempt from corporate tax as of December 31, 2023, the taxable temporary differences arising on the real estate owned by the Group were accepted as 5% by applying a 75% exemption on the corporate tax at the rate of 20% used in previous periods. As of December 31, 2023, since the forward-looking exemption rate was determined as 50%, the exemption was applied and the new deferred tax rate was accepted as 10%.

As of 31 December 2023, and 31 December 2022 assets relevant current period tax is as following;

None (31 December 2022: None).

Taxes in balance sheet

	31 December 2023	**31 December 2022**
Corporation tax	186.611.222	231.958.740
Prepaid taxes and funds (-)	(118.530.595)	(174.171.317)
Total	**68.080.627**	**57.787.423**

Deferred Taxes in balance sheet

	31 December 2023	**31 December 2022**
Assets	--	--
Liabilities	(278.199.441)	(265.925.586)
Total	**(278.199.441)**	**(265.925.586)**

For the periods ended at 31 December 2023 and 2022, the details of tax income / expense are as following;

	1 January – 31 December 2023	**1 January – 31 December 2022**
Corporation tax	(187.668.502)	(227.863.398)
Deferred taxes in income statement	(106.586.730)	(11.877.990)
Total	**(294.255.232)**	**(239.741.388)**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

	1 January – 31 December 2023	1 January – 31 December 2022
Recognized in other comprehensive income	(10.223.577)	3.696.100
End of term	**(10.223.577)**	**3.696.100**

Ertelenen Vergi Varlıkları ve Yükümlülükleri	31 Dec. 2023 Cumulative temporary difference	31 Dec. 2022 Deferred tax assets / (liabilities)	31 Dec. 2023 Cumulative temporary difference	31 Dec. 2022 Deferred tax assets / (liabilities)
Receivable Rediscount Adjustments	75.754.557	24.740.921	18.938.639	6.185.231
Advances Received Adjustments	13.123.311	--	3.280.828	--
Debt Rediscount Adjustments	(86.317.048)	(55.090.769)	(21.579.262)	(13.772.693)
Lawsuit Provisions Adjustments	405.529	668.202	101.382	167.050
Other Accounts Adjustments	9.555.743	1.089.086	2.388.937	272.278
Other Provisions Adjustments	6.816.910	11.253.433	1.704.228	2.813.359
Severance Pay Provisions Adjustments	41.584.290	53.249.450	10.396.073	12.885.246
Credit Interest Accruals Adjustments	13.427.017	4.889.673	3.356.754	1.222.419
Usage Rights Adjustments	(355.668.136)	(38.123.690)	(88.917.034)	(9.530.922)
Tangible and Intangible Fixed Assets Adjustments	(854.748.660)	(1.404.345.413)	(160.126.471)	(262.832.835)
Prepaid Expenses Adjustments	37.240.331	(3.707.682)	9.310.083	(926.920)
Stock Value Decrease Adjustments	11.927.187	--	2.981.797	--
Forward Purchase and Valuation Differences on Stocks	(107.503.557)	23.079.769	(26.875.889)	5.769.942
Doubtful Receivables Provisions Adjustments	12.057.307	20.101.447	3.014.327	5.025.361
Term Deposit Interest Accruals Adjustments	--	(8.221)	--	(2.055)
Advances Given Adjustments	(19.549.103)	78.492	(4.887.276)	19.623
Investment Property Adjustments	(125.146.226)	(52.882.679)	(31.286.557)	(13.220.670)
Deferred Tax Liabilities	**(1.327.040.548)**	**(1.415.007.981)**	**(278.199.441)**	**(265.925.586)**

Confirmation of Tax Reserve:

	1 January – 31 December 2023	1 January – 31 December 2022
Profit before taxation from operating activities	908.736.332	914.319.595
Tax Calculated at a Rate of 25%	(227.184.083)	(228.579.899)
Tax effects:		
- Effect of unacceptable expenses	(20.902.875)	(31.199.147)
- Incentives and discounts	22.641.596	54.736.835
- Deferred Tax Effect Calculated for Temporary Differences Arising from Inflation Accounting According to Tax Procedure Law (*)	(79.033.447)	(31.003.077)
Income/Expense Tax Reserves in Income Table	**(304.478.809)**	**(236.045.288)**

(*) According to the Tax Procedure Law's decree No. 32415 (2nd Duplicate) dated 30/12/2023, it consists of the deferred tax effect of the temporary differences created by the adjustments made related to inflation accounting.

31 – EARNING PER SHARE

Earnings / loss per share is determined by dividing the weighted average number of shares in the current year by the weighted average.

	1 January – 31 December 2023	1 January – 31 December 2022
Net period profit	700.347.610	349.938.139
Weighted average number of shares	149.798.932	149.798.932
Earnings per Share (TRY)	4,68	2,34

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

32 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Instruments

Credit risk

Credit risk is defined as the risk that a financial instrument will cause a financial loss to the Group because one party can not fulfill its contractual obligation. The Group is exposed to credit risk as a result of trade receivables arising from forward sales and deposits held in banks. The Group management reduces the credit risk related to customers' receivables by setting credit limits separately for each customer and taking collateral if necessary and selling only through cash collection to customers who are considered risky. The collective risk of the Group mainly arises from its commercial receivables. Trade receivables are assessed by considering their past experience and current economic condition and are shown net in the statement of financial position after the provision for doubtful receivables is appropriated.

The Group's exposure to credit risk as of 31 December 2023 is as follows:

	Receivables					
	Trade receivables		Other receivables			
	Related Party	Other	Related Party	Other	Bank Deposit	Financial Investment
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	**--**	**1.664.018.176**	**130.560**	**8.016.544**	**299.333.392**	**12.769.044**
- The part of maximum risk under guarantee with collateral	--	--	--	--	--	--
A. Net book value of financial assets that are neither overdue nor impaired	**--**	**1.664.018.176**	**130.560**	**8.016.544**	**299.333.392**	**12.769.044**
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	**--**	**--**	**--**	**--**	**--**	**--**
C. Book value of financial assets that are overdue but not impaired	**--**	**--**	**--**	**--**	**--**	**--**
-The part under guarantee with collateral etc	--	--	--	--	--	--
D. Net book value of impaired assets	**--**	**--**	**--**	**--**	**--**	**--**
- Overdue (gross book value amount)	**--**	**21.504.309**	**--**	**6.829.662**	**--**	**--**
- Impairment (-)	--	(21.504.309)	--	(6.829.662)	--	--
- The part of net value under guarantee with collateral etc	--	--	--	--	--	--
Non overdue (gross book value amount)	**--**	**--**	**--**	**--**	**--**	**--**
Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral	--	--	--	--	--	--
E. Factors Including Off-Balance Sheet Risk	**--**	**--**	**--**	**--**	**--**	**--**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

The Group's exposure to credit risk as of 31 December 2022 is as follows:

	Receivables					
	Trade receivables		**Other receivables**			
	Related Party	**Other**	**Related Party**	**Other**	**Bank Deposit**	**Financial Investment**
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	**2.256.110**	**1.225.496.064**	**1.540.151**	**6.828.121**	**366.167.411**	**444.650**
- The part of maximum risk under guarantee with collateral	--	--	--	--	--	--
A. Net book value of financial assets that are neither overdue nor impaired	**2.256.110**	**1.225.496.064**	**1.540.151**	**6.828.121**	**366.167.411**	**444.650**
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	**--**	**--**	**--**	**--**	**--**	**--**
C. Book value of financial assets that are overdue but not impaired	**--**	**--**	**--**	**--**	**--**	**--**
-The part under guarantee with collateral etc	--	--	--	--	--	--
D. Net book value of impaired assets	**--**	**--**	**--**	**--**	**--**	**--**
- Overdue (gross book value amount)	**--**	**35.667.548**	**--**	**11.253.433**	**--**	**--**
- Impairment (-)	--	(35.667.548)	--	(11.253.433)	--	--
- The part of net value under guarantee with collateral etc	--	--	--	--	--	--
Non overdue (gross book value amount)	**--**	**--**	**--**	**--**	**--**	**--**
Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral	--	--	--	--	--	--
E. Factors Including Off-Balance Sheet Risk	**--**	**--**	**--**	**--**	**--**	**--**

Liquidity risk

Fair liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims at maintaining flexibility in funding by keeping committed credit lines. The Group management manages liquidity risk by distributing the funds and by keeping sufficient cash and cash equivalents resources to cover the current and possible liabilities.

As of 31 December 2023, liquidity risk table of the Group is as following;

Maturities According to Contract	**Book Value**	**Cash outflow**	**Less than 3 months**	**Between 3-12 months**	**Between 1-5 years**	**More than 5 years**
Non-Derivative Financial Liabilities	**3.619.210.232**	**4.981.281.152**	**856.591.677**	**2.247.530.541**	**1.471.657.076**	**405.501.858**
Financial liabilities	3.117.438.375	4.029.910.150	801.906.442	2.083.578.503	803.278.450	341.146.755
Lease Liability	501.771.857	951.371.002	54.685.235	163.952.038	668.378.626	64.355.103
Expected Maturities						
Non-Derivative Financial Liabilities	**1.481.317.186**	**1.567.634.234**	**1.416.849.403**	**150.784.831**	**--**	
Trade payables	1.479.947.029	1.566.264.077	1.416.849.403	149.414.674	--	--
Other payables	1.370.157	1.370.157	--	1.370.157	--	--
Total	**5.100.527.418**	**6.548.915.386**	**2.273.441.080**	**2.398.315.372**	**1.471.657.076**	**405.501.858**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

The table below shows the liquidity risk of the Group as of 31 December 2022;

Maturities According to Contract	**Book Value**	**Cash outflow**	**Less than 3 months**	**Between 3-12 months**	**Between 1-5 years**	**More than 5 years**
Non-Derivative Financial Liabilities	**2.357.991.486**	**2.392.360.047**	**763.958.549**	**1.304.925.545**	**319.131.605**	**4.344.348**
Financial liabilities	2.260.368.341	2.267.548.393	754.826.905	1.262.333.739	250.387.749	--
Lease Liability	97.623.145	124.811.654	9.131.644	42.591.806	68.743.856	4.344.348
Expected Maturities						
Non-Derivative Financial Liabilities	**1.439.068.597**	**1.494.159.366**	**1.477.055.804**	**17.103.562**	**--**	**--**
Trade payables	1.437.729.270	1.492.820.039	1.477.055.804	15.764.235	--	--
Other payables	1.339.327	1.339.327	--	1.339.327	--	--
Total	**3.797.060.083**	**3.886.519.413**	**2.241.014.353**	**1.322.029.107**	**319.131.605**	**4.344.348**

Interest rate risk

Fluctuations may occur in the value of financial instruments by changing prices in the market. Such fluctuations may be due to price changes in securities or factors specific to the issuer of such securities or affecting the entire market. The Group's interest rate risk is mainly due to bank loans.

Although the interest rates of interest bearing financial liabilities vary, interest bearing financial assets have a fixed interest rate, and future cash flows do not change with the size of these assets. First of all, the Group's risk exposure to changing market interest rates depends on the Group's floating interest rate debt obligations. The Group's policy in this regard is to manage interest cost by using fixed and floating rate debts.

Capital risk management

In capital management, the Group aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations. The Group follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt. As of 31 December 2023, and 31 December 2022 net debt / total equity ratio is as follows:

	31 December 2023	**31 December 2022**
Total debts	3.619.210.232	2.357.991.486
Less: Liquid assets	(526.066.478)	(563.133.788)
Net debt	**3.093.143.754**	**1.794.857.698**
Total capital	**4.675.072.693**	**4.233.929.625**
Net Debt/Total Equity ratio	**0,66**	**0,42**

	31 December 2023	**31 December 2022**
Current Assets	5.630.251.320	5.012.238.584
Short-Term Liabilities	4.852.147.415	4.202.053.730
Current Assets/Short-Term Liabilities	**1,16**	**1,19**

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Foreign currency risk

The carrying amounts of foreign currency assets and liabilities held by the Group as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023					
	TRY equivalent functional currency	**USD**	**EUR**	**GBP**	**RUBLE**	**CNY**
1. Trade Receivables	608.099.330	13.280.295	1.748.210	18.000	489.195.000	--
2a. Monetary Financial Assets (including cash, banks)	105.292.863	1.764.594	911.645	23	72.201.000	25.291
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	220.494.118	796.941	4.799.335	7.141	--	9.811.021
4. Current Assets (1+2+3)	**933.886.311**	**15.841.830**	**7.459.190**	**25.164**	**561.396.000**	**9.836.312**
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	4.862.661	165.182	--	--	--	--
8. Non-Current Assets (5+6+7)	**4.862.661**	**165.182**	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**938.748.972**	**16.007.012**	**7.459.190**	**25.164**	**561.396.000**	**9.836.312**
10. Trade Payables	238.970.043	3.422.076	4.229.709	11.780	34.050	--
11. Financial Liabilities	572.303.994	3.650.000	12.517.290	--	--	13.859.461
12a. Other monetary financial liabilities	13.687.522	377.897	78.680	--	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	**824.961.559**	**7.449.973**	**16.825.679**	**11.780**	**34.050**	**13.859.461**
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	98.417.119	--	3.021.349	--	--	--
16a. Other monetary financial liabilities	--	--	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--	--
17. Non-Current Liabilities (14+15+16)	**98.417.119**	**--**	**3.021.349**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**923.378.678**	**7.449.973**	**19.847.028**	**11.780**	**34.050**	**13.859.461**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**--**	**--**	**--**	**--**	**--**	**--**
19a. Hedged amount of assets	**--**	**--**	**--**	**--**	**--**	**--**
19b. Hedged amount of liabilities position	**--**	**--**	**--**	**--**		
20. Net foreign currency position asset / liabilities (9-18+19)	**15.370.294**	**8.557.039**	**(12.387.838)**	**13.384**	**561.361.950**	**(4.023.149)**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(209.986.485)	7.594.916	(17.187.173)	6.243	561.361.950	(13.834.170)

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	31 December 2022				
	TRY equivalent functional currency	**USD**	**EUR**	**GBP**	**RUB**
1. Trade Receivables	605.123.406	14.038.530	2.485.057	18.000	211.215.000
2a. Monetary Financial Assets (including cash, banks)	57.899.287	1.518.480	284.162	11.162	3.199.000
2b. Non-monetary financial assets	--	--	--	--	--
3. Other	120.608.153	985.282	2.739.413	7.273	--
4. Current Assets (1+2+3)	**783.630.846**	**16.542.292**	**5.508.632**	**36.435**	**214.414.000**
5. Trade Receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--
7. Other	2.556.531	82.978	--	--	--
8. Non-Current Assets (5+6+7)	**2.556.531**	**82.978**	**--**	**--**	**--**
9. Total Assets (4+8)	**786.187.377**	**16.625.270**	**5.508.632**	**36.435**	**214.414.000**
10. Trade Payables	76.636.580	(2.148.788)	4.347.720	396	34.050
11. Financial Liabilities	255.429.871	441.334	7.362.321	--	--
12a. Other monetary financial liabilities	19.331.095	436.007	179.553	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--
13. Current Liabilities (10+11+12)	**351.397.545**	**(1.271.447)**	**11.889.594**	**396**	**34.050**
14. Trade Payables	--	--	--	--	--
15. Financial Liabilities	165.447.237	--	5.036.857	--	--
16a. Other monetary financial liabilities	--	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--
17. Non-Current Liabilities (14+15+16)	**165.447.237**	**--**	**5.036.857**	**--**	**--**
18. Total Liabilities (13+17)	**516.844.782**	**(1.271.447)**	**16.926.451**	**396**	**34.050**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**--**	**--**	**--**	**--**	**--**
19a. Hedged amount of assets	**--**	**--**	**--**	**--**	**--**
19b. Hedged amount of liabilities position	**--**	**--**	**--**	**--**	**--**
20. Net foreign currency position asset / liabilities (9-18+19)	**269.342.595**	**17.896.717**	**(11.417.819)**	**36.039**	**214.379.950**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	146.177.911	16.828.457	(14.157.232)	28.766	214.379.950

Details of the import and export amounts of the Group as of 31 December 2023 and 2022 are as follows;

	1 January – 31 December 2023		**1 January – 31 December 2022**	
	Import	**Export**	**Import**	**Export**
USD	14.646.200	25.196.072	15.741.643	23.184.912
EUR	10.788.180	7.930.214	9.257.429	10.104.526
TRY	--	9.382.327	--	6.860.314
GBP	--	--	68.831	--
CHF	2.447	--	12.137	--
CNY	4.857.600	--		
TRY equivalent	**624.258.658**	**828.620.932**	**685.060.438**	**940.326.410**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Foreign Currency Risk Sensitivity Analysis

As of 31 December 2023, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure is as below:

Foreign Currency Risk Sensitivity Analysis Table		
31 December 2023		
	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of appreciation / depreciation of USD against TRY at 10%		
1- USD net asset / liability	25.190.383	(25.190.383)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	25.190.383	(25.190.383)
In case of appreciation / depreciation of EUR against TRY at 10%		
4- EUR net asset / liability	(40.352.020)	40.352.020
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(40.352.020)	40.352.020
In case of appreciation / depreciation of GBP against TRY at 10%		
7-GBP net asset/liability	50.112	(50.112)
8-Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	50.112	(50.112)
In case of appreciation / depreciation of RUB against TRY at 10%		
10-RUB net asset/liability	18.306.575	(18.306.575)
11-Part of hedged from RUB risk (-)	--	--
12-RUB net effect (10+11)	18.306.575	(18.306.575)
In case of appreciation / depreciation of CNY against TRY at 10%		
13-CNY net asset/liability	(1.658.020)	1.658.020
14-Part of hedged from CNY risk (-)	--	--
15-CNY net effect (10+11)	(1.658.020)	1.658.020
Total (3+6+9+12+15)	**1.537.030**	**(1.537.030)**

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023, unless otherwise indicated)

Foreign Currency Risk Sensitivity Analysis Table		
31 December 2022		
	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of appreciation / depreciation of USD against TRY at 10%		
1- USD net asset / liability	33.463.818	(33.463.818)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	33.463.818	(33.463.818)
In case of appreciation / depreciation of EUR against TRY at 10%		
4- EUR net asset / liability	(22.761.308)	22.761.308
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(22.761.308)	22.761.308
In case of appreciation / depreciation of GBP against TRY at 10%		
7-GBP net asset/liability	81.049	(81.049)
8-Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	81.049	(81.049)
In case of appreciation / depreciation of RUB against TRY at 10%		
10-RUB net asset/liability	5.562.731	(5.562.731)
11-Part of hedged from RUB risk (-)	--	--
12-RUB net effect (10+11)	5.562.731	(5.562.731)
Total (3+6+9+12)	**16.346.290**	**(16.346.290)**

NOTE 33 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Company using available markets information in Turkey and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

Financial Assets

Balances denominated in foreign currencies are converted at period exchange rates. The fair value of certain financial assets carried at cost, including loans are considered to approximate their respective carrying amounts in the financial statements. The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values

Financial Liabilities

The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The fair values of long-term bank borrowings, which are denominated in foreign currencies and translated at period/year-end exchange rates, are considered to approximate their carrying values. The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer settlements approximates its fair values.

NOT 34 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATESMENTS SIGNIFICANTLY OR REQUIRED TO BE DISCLOSURE FOR CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

None (31 December 2022: None).

NOTE 35 – POST BALANCE SHEET EVENTS

None (31 December 2022: None).