

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

**CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE INTERIM PERIOD 1  
JANUARY - 30 SEPTEMBER 2023**

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

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**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2023**  
*(Currency - Turkish Lira 'TRY' unless expressed otherwise.)*

<b>ASSETS</b>	<b>Note</b>	<b>Unaudited 30 September 2023</b>	<b>Audited 31 December 2022</b>
<b>CURRENT ASSETS</b>			
Cash And Cash Equivalents		488.713.536	341.763.557
Trade Receivables		1.349.438.762	745.117.696
<i>Due From Related Parties</i>	3-4	--	1.369.224
<i>Trade Receivables, Third Parties</i>	4	1.349.438.762	743.748.472
Other Receivables		39.595.587	2.351.165
<i>Due From Related Parties</i>		24.150.717	934.711
<i>Other Receivables, Third Parties</i>		15.444.870	1.416.454
Inventories	6	1.983.610.829	1.264.075.661
Prepaid Expenses	7	769.254.927	214.495.364
Other Current Assets	5	642.770.409	414.875.579
<b>TOTAL CURRENT ASSETS</b>		<b>5.273.384.050</b>	<b>2.982.679.022</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments	8	261.000	261.000
Other Receivables		3.458.938	2.727.504
<i>Due From Related Parties</i>		--	--
<i>Other Receivables, Third Parties</i>		3.458.938	2.727.504
Investment Properties		28.376.057	28.153.470
Tangible Fixed Assets	9	1.266.272.958	980.639.838
Right of Use Assets		19.993.492	45.413.841
Intangible Fixed Assets		88.849.666	80.455.158
Prepaid Expenses	7	84.305.502	97.305.152
Deferred Tax Assets	20	89.056.555	63.643.861
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1.580.574.168</b>	<b>1.298.599.824</b>
<b>TOTAL ASSETS</b>		<b>6.853.958.218</b>	<b>4.281.278.846</b>

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

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2023**  
*(Currency - Turkish Lira 'TRY' unless expressed otherwise.)*

		Unaudited	Audited
<b>LIABILITIES</b>	<b>Note</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities	10	1.617.822.545	800.749.264
Short Term Portion Of Long Term Financial Liabilities	10	573.276.851	413.413.385
Lease Payables	10	30.693.617	39.977.368
Trade Payables		1.215.542.564	872.551.923
<i>Due To Related Parties</i>	3-4	--	--
<i>Trade Payables, Third Parties</i>	4	1.215.542.564	872.551.923
Employee Benefit Obligations	11	161.182.367	86.896.517
Other Payables		1.306.263	812.832
<i>Due To Related Parties</i>		--	--
<i>Other Payables, Third Parties</i>		1.306.263	812.832
Deferred Income	12	826.726.994	253.093.779
Current Income Tax Liabilities	20	28.199.796	35.070.947
Provisions		16.719.722	7.009.899
Other Current Liabilities	5	99.032.060	37.026.754
<b>TOTAL CURRENT LIABILITIES</b>		<b>4.570.502.779</b>	<b>2.546.602.668</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	10	619.553.927	157.645.510
Lease Payables	10	6.040.035	19.269.713
Deferred Income	12	8.659.958	15.715.042
Provisions		66.711.890	34.289.209
<i>Provision For Employee Benefits</i>		66.711.890	34.289.209
Deferred Tax Liabilities	20	119.225.942	103.665.256
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>820.191.752</b>	<b>330.584.730</b>
<b>EQUITY</b>			
Paid-In Capital	14	149.798.932	149.798.932
Buy-Back Shares (-)	14	(36.449.260)	(36.449.260)
Other Comprehensive Income Not To Be Reclassified To Profit Or Loss		345.980.392	346.853.062
<i>Gains/ Losses On Revaluation And Remeasurement</i>		353.490.398	353.490.398
<i>Actuarial Gain/Loss Arising From Defined Benefit Plans</i>		(7.510.006)	(6.637.336)
Other Comprehensive Income To Be Reclassified To Profit Or Loss		(46.329.705)	(14.293.299)
<i>Currency Translation Differences</i>	14	(46.329.705)	(14.293.299)
Restricted Reserves		79.776.586	71.147.019
Retained Earnings	14	682.948.821	372.879.435
Net Income For The Period		287.537.921	514.155.559
<b>EQUITY HOLDERS OF THE PARENT</b>		<b>1.463.263.687</b>	<b>1.404.091.448</b>
<b>TOTAL LIABILITIES</b>		<b>6.853.958.218</b>	<b>4.281.278.846</b>

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED AT 1 JANUARY - 30 SEPTEMBER 2023**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Note	Unaudited 1 January – 30 September 2023	Unaudited 1 July – 30 September 2023	Unaudited 1 January – 30 September 2022	Unaudited 1 July – 30 September 2022
Revenue	15	7.067.765.661	2.439.806.048	4.540.727.787	1.786.488.785
Cost Of Sales (-)	16	(4.746.308.613)	(1.637.653.779)	(3.099.496.524)	(1.238.760.476)
<b>Gross profit</b>		<b>2.321.457.048</b>	<b>802.152.269</b>	<b>1.441.231.263</b>	<b>547.728.309</b>
General Administrative Expenses (-)	17	(240.811.184)	(99.619.358)	(106.966.487)	(48.088.640)
Marketing, Selling And Distribution Expenses (-)	17	(1.329.489.823)	(507.259.390)	(778.551.859)	(283.361.227)
Research And Development Expenses (-)	17	(32.026.682)	(12.104.159)	(14.208.978)	(5.239.016)
Other Income From Operating Activities		392.447.179	147.366.324	200.822.795	90.697.675
Other Expenses From Operating Activities		(361.678.438)	(171.866.859)	(181.673.054)	(80.592.333)
<b>Operating Profit / Loss</b>		<b>749.898.100</b>	<b>158.668.827</b>	<b>560.653.680</b>	<b>221.144.768</b>
Income From Investment Activities		9.377.667	8.028.528	6.119.722	4.641.133
Expenses From Investment Activities (-)		--	--	--	--
<b>OPERATING INCOME BEFORE FINANCIAL INCOME</b>		<b>759.275.767</b>	<b>166.697.355</b>	<b>566.773.402</b>	<b>225.785.901</b>
Financial Expenses (-)	19	(405.574.789)	(180.014.269)	(95.879.741)	(19.392.316)
Financial Income	18	33.880.114	8.207.711	7.870.736	(2.404.745)
<b>PROFIT BEFORE TAX</b>		<b>387.581.092</b>	<b>(5.109.203)</b>	<b>478.764.397</b>	<b>203.988.840</b>
<b>Tax income/(expense)</b>		<b>(100.043.171)</b>	<b>(19.656.978)</b>	<b>(109.192.776)</b>	<b>(47.931.133)</b>
Taxes On Income		(109.649.041)	(21.382.868)	(107.960.548)	(48.576.421)
Deferred Tax Income/(Expense)		9.605.870	1.725.890	(1.232.228)	645.288
<b>PERIOD PROFIT / LOSS</b>		<b>287.537.921</b>	<b>(24.766.181)</b>	<b>369.571.621</b>	<b>156.057.707</b>
<b>Earnings Per Share</b>					
Earnings Per Share		1,92	-0,17	2,47	1,04
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Other Comprehensive Income/Expense Not To Be Reclassified To Profit Or Loss</b>		<b>(872.670)</b>	<b>--</b>	<b>(1.425.874)</b>	<b>--</b>
Actuarial Gain/Loss Arising From Defined Benefit Plans		(1.118.808)	--	(1.828.044)	--
<b>Tax Income/(Expense)</b>		<b>246.138</b>	<b>--</b>	<b>402.170</b>	<b>--</b>
Deferred Tax (Expense) Income		246.138	--	402.170	--
<b>Other Comprehensive Income/Loss To Be Reclassified To Profit Or Loss</b>		<b>(32.036.406)</b>	<b>(5.873.846)</b>	<b>(2.686.649)</b>	<b>(6.984.111)</b>
Currency Translation Differences	14	(32.036.406)	(5.873.846)	(2.686.649)	(6.984.111)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>(32.909.076)</b>	<b>(5.873.846)</b>	<b>(4.112.523)</b>	<b>(6.984.111)</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>254.628.845</b>	<b>(30.640.027)</b>	<b>365.459.098</b>	<b>149.073.596</b>

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

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 1 JANUARY – 30 SEPTEMBER 2023 AND 2022**  
*(Currency - Turkish Lira 'TRY' unless expressed otherwise.)*

			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	Buy-Back Shares	Gains/ Losses On Revaluation And Remeasurement	Actuarial Gain/Loss Arising From Defined Benefit Plans	Currency Translation Differences	Restricted Reserves	Retained Earnings	Net Income For The Period	Total Equity
<b>Balance at 1 January 2022</b>	<b>149.798.932</b>	<b>(36.015.309)</b>	<b>353.490.398</b>	<b>872.331</b>	<b>(7.083.800)</b>	<b>49.650.743</b>	<b>240.113.597</b>	<b>256.056.383</b>	<b>1.006.883.275</b>
Buy-Back Shares	--	(430.142)	--	--	--	430.142	(430.142)	--	(430.142)
Transfer From Retained Profit	--	--	--	--	--	20.919.053	235.137.330	(256.056.383)	--
Period Profit / Loss (Net)	--	--	--	--	--	--	--	369.571.621	369.571.621
Other Comprehensive Income	--	--	--	(1.425.874)	(2.686.649)	--	--	--	(4.112.523)
Dividend Distribution	--	--	--	--	--	--	(100.000.000)	--	(100.000.000)
Due to Other Changes Increase / Decrease	--	--	--	--	--	--	(2.026.694)	--	(2.026.694)
<b>Balance at 30 September 2022</b>	<b>149.798.932</b>	<b>(36.445.451)</b>	<b>353.490.398</b>	<b>(553.543)</b>	<b>(9.770.449)</b>	<b>70.999.938</b>	<b>372.794.091</b>	<b>369.571.621</b>	<b>1.269.885.537</b>
<b>Balance at 1 January 2023</b>	<b>149.798.932</b>	<b>(36.449.260)</b>	<b>353.490.398</b>	<b>(6.637.336)</b>	<b>(14.293.299)</b>	<b>71.147.019</b>	<b>372.879.435</b>	<b>514.155.559</b>	<b>1.404.091.448</b>
Transfer From Retained Profit	--	--	--	--	--	8.629.567	505.525.992	(514.155.559)	--
Period Profit / Loss (Net)	--	--	--	--	--	--	--	287.537.921	287.537.921
Other Comprehensive Income	--	--	--	(872.670)	(32.036.406)	--	--	--	(32.909.076)
Dividend Distribution	--	--	--	--	--	--	(200.000.000)	--	(200.000.000)
Due to Other Changes Increase / Decrease	--	--	--	--	--	--	4.543.394	--	4.543.394
<b>Balance at 30 September 2023</b>	<b>149.798.932</b>	<b>(36.449.260)</b>	<b>353.490.398</b>	<b>(7.510.006)</b>	<b>(46.329.705)</b>	<b>79.776.586</b>	<b>682.948.821</b>	<b>287.537.921</b>	<b>1.463.263.687</b>

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

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED AT 1 JANUARY - 30 SEPTEMBER 2023 AND 2022**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

		<i>Unaudited</i>	<i>Unaudited</i>
	Note	1 January – 30 September 2023	1 January – 30 September 2022
<b>A. Cash Flow From Operating Activities :</b>			
<b>Profit / (Loss) Of The Period</b>		<b>287.537.921</b>	<b>369.571.621</b>
<b>Adjustments Related To Reconciliation Of Profit/(Loss)</b>			
Adjustments Related To The Increase/Decrease In Amortization And Depreciation	9	135.255.085	63.345.636
Adjustment To Interest Income (Expenses)		6.641.735	144.035.186
- Adjustment To Unearned Interest On Receivables		21.580.524	147.831.258
-Adjustment To Unearned Interest On Payables		(27.606.073)	(7.083.065)
-Adjustment To Interest Expenses	19	2.647.317	1.385.136
-Adjustments for Interest Expenses from Leases	19	10.019.967	2.015.768
-Adjustments for Interest Income	18	--	(113.911)
Adjustment To Provision		31.303.873	919.186
-Adjustments Related To Provision (Reversal) For Employee Benefits		31.303.873	919.186
-Adjustment To Provision For Lawsuits		--	--
Adjustment To Impairment	4	832.991	--
-Adjustment To Provision For Doubtful Receivables	20	832.991	--
Investment property Fair value increase		--	315.918
Adjustment To Tax Income (Expenses)		100.043.171	109.192.776
		<b>561.614.776</b>	<b>687.380.323</b>
<b>Changes In Operating Assets And Liabilities</b>			
Changes In Trade Receivables	4	(626.734.581)	(483.207.713)
Changes In Other Receivables		(14.759.850)	(1.574.372)
Changes In Other Assets	5	(227.894.830)	(176.960.641)
Changes In Inventories	6	(719.535.168)	(614.532.291)
Changes In Prepaid Expenses	7	(541.759.913)	(102.845.952)
Changes In Trade Payables	4	370.596.714	317.253.038
Changes In Other Payables		493.431	306.444
Changes In Employee Benefit Liabilities	11	74.285.850	25.183.919
Changes In Other Liabilities	5	71.715.129	19.763.208
Changes In Deferred Income	12	566.578.131	41.827.661
Taxes Returns (Payments)	20	(116.520.192)	(80.425.165)
Interest Paid	19	123.314.062	72.316.480
Interest Received	18	(7.325.115)	(3.056.168)
Changes In Other		(222.587)	(2.026.694)
<b>Total</b>		<b>(486.154.143)</b>	<b>(300.597.923)</b>
<b>B. Cash Flow From Investing Activities</b>			
Cash Inflows From Sales Of Tangible And Intangible Assets		7.465.429	2.271.442
-Cash Inflows From Sales Of Tangible Assets	9	1.582.960	2.271.442
-Cash Outflows From Sales Of Intangible Assets		5.882.469	--
Cash Outflows From Purchases Of Tangible And Intangible Non-Current Assets		(411.327.793)	(189.572.212)
-Cash Outflows From Purchases Of Tangible Assets	9	(371.003.060)	(156.269.197)
-Cash Outflows From Purchases Of Intangible Assets		(40.324.733)	(33.303.015)
Collections From Advances Given		(23.216.006)	102.528
-Collections From Related Parties		(23.216.006)	102.528
<b>Total</b>		<b>(427.078.370)</b>	<b>(187.198.242)</b>
<b>C. Cash Flow From Financial Activities</b>			
Cash Inflows / (Outflows) From Borrowings	10	2.551.169.264	1.237.321.424
Cash Outflows From Payables		(1.147.504.813)	(469.934.795)
-Cash Outflows Regarding Financial Borrowings Repayments	10	(1.114.971.417)	(460.329.992)
- Cash Outflows Related to From Leases	10	(32.533.396)	(9.604.803)
Interest Paid	19	(123.314.062)	(72.316.480)
Interest Received	18	7.325.115	3.056.168
Dividend Payout		(200.000.000)	(100.000.000)
Cash Outflows Related To Buy-Back Shares		--	(430.142)
Other Cash Inflows / (Outflows)		4.543.394	--
<b>Total</b>		<b>1.092.218.898</b>	<b>597.696.175</b>
<b>Foreign Currency Translatiın Differences of Cash and Cash Equivalents Before Effect of Net Increase / Decrease (A + B + C)</b>		<b>178.986.385</b>	<b>109.900.010</b>
<b>D. The Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents</b>		<b>(32.036.406)</b>	<b>(2.686.649)</b>
<b>Net Increase In Cash And Cash Equivalents in / Decrease (A + B + C + D)</b>		<b>146.949.979</b>	<b>107.213.361</b>
<b>E. Beginning Of The Period Cash And Cash Equivalents</b>		<b>341.763.557</b>	<b>111.399.760</b>
<b>Cash And Cash Equivalents At The End Of The Period (A+B+C+D+E)</b>		<b>488.713.536</b>	<b>218.613.121</b>

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

## NOTE 1 – ORGANIZATION OF THE GROUP

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi (“Parent Company”) and its subsidiaries are referred as “Group” on the notes to the condensed 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 February 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 30 September 2023, 3.764 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 101 stores located on Turkey.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul (“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 30 September 2023, 15 personnel are employed by the Company (31 December 2022: 15 Personnel). Yatas Europe’s shareholding structure as of 30 Sep 2023 in EUR are as following;

	30 September 2023		31 December 2022	
	Share Percentage	Share Amount (EUR)	Share Percentage	Share Amount (EUR)
<b>Shareholders</b>				
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	100.000	%100,00	100.000
<b>Total</b>	<b>%100,00</b>	<b>100.000</b>	<b>%100,00</b>	<b>100.000</b>

### **Yatas Rus Ltd.**

Yatas Rus Limidet Şirketi (“Yatas Rus”), was established in 03.07.2019 in Russia. The Company’s engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture. For the period ended at 30 September 2023, 9 personnel are employed by the Yatas Rus. Yatas Rus’s shareholding structure as of (31 December 2022: 9 Personnel).

30 Sep 2023 in RUBLE is as following;

	30 September 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
<b>Total</b>	<b>%100,00</b>	<b>3.500.000</b>	<b>%100,00</b>	<b>3.500.000</b>

**EnzaHome International Inc.**

EnzaHome International Inc. ("EnzaHome"), was established in 21.02.2020 in ABD. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture. For the period ended at 30 September 2023, 5 personnel are employed by the EnzaHome. EnzaHome's shareholding structure as of (31 December 2022: 5 Personnel).

30 Sep 2023 in USD is as following;

	30 September 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
<b>Total</b>	<b>%100,00</b>	<b>50.000</b>	<b>%100,00</b>	<b>50.000</b>

## NOTE 2 – BASIS OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2.a. Basis of Presentation

#### Compatibility Statement

The condensed 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 Sep 2013. According to Article 5 of the Communiqué, condensed 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 condensed consolidated financial statements of the Group are prepared as per the CMB announcement of 15 April 2019 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's condensed 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 condensed 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 condensed 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 condensed 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 Condensed consolidated Financial Statements**

Condensed consolidated financial statements of the Group are approved by the Board of Directors and granted authority to publish on November 9, 2023. 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**

CMB, with its resolution dated 17 March 2005, announced that all publicly traded entities operating in Turkey was not obliged to apply inflationary accounting effective from 1 January 2005. In accordance with this resolution, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied to the condensed consolidated financial statements since 1 January 2005.

### **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**

Financial statements of subsidiaries, operating in countries other than Turkey, are prepared properly according to their laws and to regulations and are adjusted Turkish Accounting Standards and Turkish Financial Reporting Standards for the purpose of fair presentation by the Public Oversight Accounting and Audited Standards Authority. The related Subsidiaries' assets and liabilities are translated into TRY from the foreign exchange rate at the balance sheet date and income and expenses are translated into TRY at the average foreign exchange rate. Foreign exchange differences arising from the use of the average and balance sheet date rates are included in the "currency translation difference" under the shareholders' equity.

### **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 condensed 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 condensed 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.

The portion of the third parties other than condensed 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 minority interest is not occurred.

As of 30 Sep 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;

Subsidiaries	Ownership of the Parent Company		Minority Interest
	(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. New and Revised Turkish Financial Reporting Standards

### a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

### **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.

#### **Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 — Comparative Information***

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

#### **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	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

#### **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 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 condensed 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 amortized 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 amortized 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 amortized cost comprise "cash and cash equivalents" and "trade receivables". Financial assets carried at amortized 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 amortized cost are accounted for under the condensed 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 recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized 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 condensed 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 condensed 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.

<b>Financial assets</b>	<b>Classification under TAS 39</b>	<b>Classification under TFRS 9</b>
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
<b>Financial liabilities</b>	<b>Classification under TAS 39</b>	<b>Classification under TFRS 9</b>
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 Condensed 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, labor 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:

	<b><u>Useful Life</u></b>
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 prorata 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

### 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 insubstance 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 as of 30 Sep 2023.

The Group has calculated severance pay liability on the financial statements in the accompanying condensed 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 Condensed 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 enrollment of economic benefits related with the procedure.

### **Accounting Estimates**

The accompanying condensed 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 footnote 2 that refers to useful lifetime on fixed assets. Information about useful lifetime is described in footnote 2.

*Provision for lawsuits*

While setting provision for lawsuits, it has considered probability to lose lawsuit, then the consequences of losing case by the legal advisor of the Group.

*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.

*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 30 Sep 2023, 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.

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.

USD, EUR, GBP and RUB are used at the end of the period as follows:

	30 September 2023	31 December 2022
USD	27,3767	18,6983
EUR	29,0305	19,9349
RUB	0,27957	0,25948
GBP	33,4816	22,4892
CNY	3,7284	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.

## 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 condensed 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 condensed consolidated financial statements (Note 24).

## 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:

### Süntaş Sünger ve Yatak Sanayi Ticaret Anonim Şirketi (in liquidation)

Süntaş Sünger ve Yatak Sanayi Ticaret Anonim Şirketi (in liquidation) was established in 1976 in Kayseri. The Company engaged in trade of polyurethane foam and quilt bed quilts and so on. The company have gone to into liquidation since March 2019.

## NOTE 3– RELATED PARTY TRANSACTIONS

	30 September 2023		31 December 2022	
	Trading	Non-Trading	Trading	Non-Trading
<b>Short Term Trade Receivables (Note 4)</b>				
Süntaş Sünger ve Yatak San.Tic. A.Ş. (in liquidation)	--	--	1.369.224	--
<b>Other Receivables</b>				
Receivables from Shareholders	--	24.150.717	--	934.711
<b>Total</b>	<b>--</b>	<b>24.150.717</b>	<b>1.369.224</b>	<b>934.711</b>

### *Due To Related Parties Payables*

None (31 December 2022: None).

Purchases and / or expenses from related parties:

	Rent Expenses	
	1 January – 30 September 2023	1 January – 30 September 2022
Süntaş Sünger ve Yatak San.Tic. A.Ş. (in liquidation)	--	1.109.870
Yavuz Altop	1.623.553	1.101.167
Yılmaz Öztaşkın	1.623.553	1.101.167
Other Shareholders	3.247.106	2.150.325
<b>Total</b>	<b>6.494.213</b>	<b>5.462.529</b>

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 30 September 2023 is TRY 69.927.300 TL (30 September 2022: TRY 40.765.291).

#### NOTE 4 - TRADE RECEIVABLES AND PAYABLES

##### Trade Receivables

##### Short Term Trade Receivables

	30 September 2023	31 December 2022
Trade Receivables	777.797.651	510.680.466
- Trade Receivables from related parties (note 3)	--	1.369.224
- Other trade Receivables	777.797.651	509.311.242
Notes Receivables	588.504.455	249.452.392
- Other notes Receivables	588.504.455	249.452.392
Unearned Interest (-)	(16.863.344)	(15.015.162)
Doubtful trade receivables	22.479.478	21.646.487
Provision for doubtful trade receivables (-)	(22.479.478)	(21.646.487)
<b>Total</b>	<b>1.349.438.762</b>	<b>745.117.696</b>

The maturity schedule of receivables are as follows:

	30 September 2023	31 December 2022
Up to 3 months	701.049.467	539.606.495
3 to 12 months	665.252.639	220.526.363
<b>Total</b>	<b>1.366.302.106</b>	<b>760.132.858</b>

##### Trade Payables

##### Short Term Trade Payables

	30 September 2023	31 December 2022
Trade payables	1.119.995.371	753.163.056
Notes payables	136.855.283	152.823.226
Unearned interest (-)	(41.308.090)	(33.434.359)
<b>Total</b>	<b>1.215.542.564</b>	<b>872.551.923</b>

##### Long Term Trade Payables

None (31 December 2022: None).

As of 30 September 2023, and 31 December 2022 maturity schedule of payables are as follows:

	30 September 2023	31 December 2022
Up to 3 months	1.249.860.905	896.419.033
3 to 12 months	6.989.749	9.567.249
<b>Total</b>	<b>1.256.850.654</b>	<b>905.986.282</b>

#### NOTE 5 - OTHER ASSETS AND LIABILITIES

##### Other Current Assets

	30 September 2023	31 December 2022
VAT carried forward	639.832.277	412.885.823
Receivables from tax office	2.938.132	1.989.756
<b>Total</b>	<b>642.770.409</b>	<b>414.875.579</b>

Other Current Liabilities

	30 September 2023	31 December 2022
Taxes and dues payable	95.536.301	32.462.072
Other liabilities	3.495.759	4.564.682
<b>Total</b>	<b>99.032.060</b>	<b>37.026.754</b>

**NOTE 6 – INVENTORIES**

	30 September 2023	31 December 2022
Raw materials	685.187.151	214.793.701
Work in process	66.252.185	31.501.026
Finished goods	1.116.983.722	1.003.601.283
Merchandises	115.187.771	12.317.124
Other inventories <sup>(1)</sup>	--	1.862.527
<b>Total</b>	<b>1.983.610.829</b>	<b>1.264.075.661</b>

<sup>(1)</sup> Other inventories consist of goods on transit.

The related inventory items are reported net by deducting the their provisions for impairment. As of 30 September 2023, there is insurance coverage amounting to 1.162.830.000 TRY on inventories (31 December 2022: 1.159.130.000 TRY)

**NOTE 7 – PREPAID EXPENSES**

Short-Term Prepaid Expenses

	30 September 2023	31 December 2022
Order advances given	688.457.739	206.712.220
Prepaid expenses	69.258.987	3.541.748
Advances given for business purposes	5.289.205	209.126
Advances given to personnel	6.248.996	4.032.270
<b>Total</b>	<b>769.254.927</b>	<b>214.495.364</b>

Long-Term Prepaid Expenses

	30 September 2023	31 December 2022
Prepaid expenses	25.336.985	70.502.561
Income accruals	13.205.814	26.802.591
Advances given for property, plant and equipment purchases	45.762.703	--
<b>Total</b>	<b>84.305.502</b>	<b>97.305.152</b>

**NOTE 8 – FINANCIAL INVESTMENTS**

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

As of 30 September 2023, and 31 December 2022 financial investments is as following;

Short term financial investmens

None (31 December 2022: None).

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

	<b>30 September 2023</b>		<b>31 December 2022</b>	
	<b>(%)</b>	<b>TRY</b>	<b>(%)</b>	<b>TRY</b>
Kay-Ser A.Ş.	%1	1.000	%1	1.000
Arge ve Tasarım Merkezi Girişim Sermaye Fonu	%99	260.000	%99	260.000
<b>Total</b>		<b>261.000</b>		<b>261.000</b>

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

<b>30 September 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Arge ve Tasarım Merkezi Girişim Sermaye Fonu	--	--	260.000
Kay-Ser A.Ş.	--	--	1.000
<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Arge ve Tasarım Merkezi Girişim Sermaye Fonu	--	--	260.000
Kay-Ser A.Ş.	--	--	1.000

**NOTE 9 TANGIBLE FIXED ASSETS**

<b>Cost</b>	<b>Lands</b>	<b>Land improvements</b>	<b>Buildings</b>	<b>Plants, machinery and equipment</b>	<b>Vehicles</b>	<b>Fixtures and fittings</b>	<b>Leasehold improvements</b>	<b>Construction in progress</b>	<b>Total</b>
<b>1 January 2022</b>	<b>91.712.586</b>	<b>674.011</b>	<b>419.377.144</b>	<b>179.083.355</b>	<b>7.835.158</b>	<b>129.564.660</b>	<b>106.447.823</b>	<b>10.786.706</b>	<b>945.481.443</b>
Addition	4.888.766	9.000	159.023.273	22.846.477	1.919.169	79.413.975	43.218.846	12.676.731	323.996.237
Disposals	--	--	--	(2.043.301)	(245.559)	(227.414)	(2.605.783)	--	(5.122.057)
<b>31 December 2022</b>	<b>96.601.352</b>	<b>683.011</b>	<b>578.400.417</b>	<b>199.886.531</b>	<b>9.508.768</b>	<b>208.751.221</b>	<b>147.060.886</b>	<b>23.463.437</b>	<b>1.264.355.623</b>
Addition	--	--	11.547.468	24.403.125	13.884.459	70.342.491	34.586.069	217.338.706	372.102.318
Disposals	--	--	(71.000)	(516.654)	--	(2.155.044)	(1.241.276)	(1.099.258)	(5.083.232)
<b>30 September 2023</b>	<b>96.601.352</b>	<b>683.011</b>	<b>589.876.885</b>	<b>223.773.002</b>	<b>23.393.227</b>	<b>276.938.668</b>	<b>180.405.679</b>	<b>239.702.885</b>	<b>1.631.374.709</b>
<b>Accumulated depreciation</b>									
<b>1 January 2022</b>	<b>--</b>	<b>125.898</b>	<b>20.103.656</b>	<b>70.538.914</b>	<b>5.009.620</b>	<b>60.229.590</b>	<b>64.177.193</b>	<b>--</b>	<b>220.184.871</b>
Charge for the period	--	30.111	5.250.175	17.501.399	1.019.153	25.119.883	17.464.569	--	66.385.290
Disposals	--	--	--	(2.043.301)	(245.135)	(164.140)	(401.800)	--	(2.854.376)
<b>31 December 2022</b>	<b>--</b>	<b>156.009</b>	<b>25.353.831</b>	<b>85.997.012</b>	<b>5.783.638</b>	<b>85.185.333</b>	<b>81.239.962</b>	<b>--</b>	<b>283.715.785</b>
Charge for the period	--	25.677	12.396.753	15.861.767	1.490.895	32.563.456	21.448.432	--	83.786.980
Disposals	--	--	(4.852)	(190.696)	--	(1.502.946)	(702.520)	--	(2.401.014)
<b>30 September 2023</b>	<b>--</b>	<b>181.686</b>	<b>37.745.732</b>	<b>101.668.083</b>	<b>7.274.533</b>	<b>116.245.843</b>	<b>101.985.874</b>	<b>--</b>	<b>365.101.751</b>
<b>Net book value, 31 December 2022</b>	<b>96.601.352</b>	<b>527.002</b>	<b>553.046.586</b>	<b>113.889.519</b>	<b>3.725.130</b>	<b>123.565.888</b>	<b>65.820.924</b>	<b>23.463.437</b>	<b>980.639.838</b>
<b>Net book value, 30 September 2023</b>	<b>96.601.352</b>	<b>501.325</b>	<b>552.131.153</b>	<b>122.104.919</b>	<b>16.118.694</b>	<b>160.692.825</b>	<b>78.419.805</b>	<b>239.702.885</b>	<b>1.266.272.958</b>

As of 30 September 2023, there is insurance amounting to TRY 2.020.195.745 on property, plant and equipment. The liability amounts for fixed assets are mentioned in Note 13.

The distribution of depreciation expenses is as follows:

	30 September 2023	30 September 2022
Tangible fixed assets	83.786.980	42.626.699
Investment properties	--	59.210
Intangible fixed assets	26.047.756	12.166.405
Right of use assets	25.420.349	8.493.322
<b>Total</b>	<b>135.255.085</b>	<b>63.345.636</b>

#### NOTE 10 - FINANCIAL BORROWINGS

As of 30 September 2023 and 31 December 2022 the details of short term financial borrowings are as follows:

##### Short Term Financial Borrowings

	30 September 2023	31 December 2022
Turkish Lira financial borrowings	1.501.753.667	658.600.430
Foreign currency financial borrowings	116.068.878	142.148.834
Lease payables	30.693.617	39.977.368
<b>Total</b>	<b>1.648.516.162</b>	<b>840.726.632</b>

##### Current Installments of Long-Term Financial Liabilities

	30 September 2023	31 December 2022
Current installment of long term Turkish Lira financial borrowings	348.494.729	87.260.004
Current installment of long term foreign currency financial borrowings	224.782.122	326.153.381
<b>Total</b>	<b>573.276.851</b>	<b>413.413.385</b>

##### Long Term Financial Borrowings

	30 September 2023	31 December 2022
Turkish lira financial borrowings	511.161.394	64.746.710
Foreign currency financial borrowings lease payables	108.392.533	92.898.800
Lease payables	6.040.035	19.269.713
<b>Total</b>	<b>625.593.962</b>	<b>176.915.223</b>

As of Sep 30, 2023, the interest rates average of financial liabilities are 6,21 % in EUR and 24,19 % in TRY (31 December 2022: EUR – 2,84 %, TRY – 13,76 %).

Liabilities given for bank borrowings are mentioned in note 13.

Maturity schedule of banks borrowings are as follows:

	30 September 2023	31 December 2022
Up to 3 months	1.251.298.124	237.713.037
3 to 12 months	970.494.889	528.930.936
1 to 5 years	415.339.842	647.707.074
Over 5 years	210.254.120	16.704.193
<b>Total</b>	<b>2.847.386.975</b>	<b>1.431.055.240</b>

#### NOTE 11 – EMPLOYEE BENEFIT LIABILITIES

	30 September 2023	31 December 2022
Due to personnel	83.704.436	44.794.897
Taxes and funds payable for personnel	13.161.631	--
Social security and Taxes and dues payable	64.316.300	42.101.620
<b>Total</b>	<b>161.182.367</b>	<b>86.896.517</b>

#### NOTE 12 – DEFERRED INCOME

##### Short-Term Deferred Income

	30 September 2023	31 December 2022
Advances received	823.220.638	253.093.779
Income accruals	3.506.356	--
<b>Total</b>	<b>826.726.994</b>	<b>253.093.779</b>

##### Long-Term Deferred Income

	30 September 2023	31 December 2022
Income for future years	8.659.958	15.715.042
<b>Total</b>	<b>8.659.958</b>	<b>15.715.042</b>

#### NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### Contingent Liabilities

Given GSM (Guarantee-Security-Mortgage) by Group	30 September 2023	31 December 2022
A. Total Amount of GSM Given on Behalf of Legal Entity	951.527.794	463.213.604
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	--	--
<b>Total</b>	<b>951.527.794</b>	<b>463.213.604</b>

**Letters of guarantee** - As of September 30, 2023, the Group has given letters of guarantee amounting to TRY 703.822.585 to the suppliers and other corporations. The details of the letters of guarantee are as below:

	Foreign currency	Amount	FX Rate	TRY equivalent
Electricity Distribution Companies	TL	4.589.660	1,0000	4.589.660
Executive Directorate	TL	8.777.092	1,0000	8.777.092
Customs Directorate	TL	1.113.386	1,0000	1.113.386
Gas Distribution Companies	TL	172.245	1,0000	172.245
Private Sector	TL	14.380.944	1,0000	14.380.944
Private Sector	EUR	97.280	29,0305	2.824.087
Private Sector	CNY	85.000.000	3,7284	316.914.000
Private Sector	USD	572.000	27,3767	15.659.472
Export Credit Bank of Turkey	EUR	9.854.800	29,0305	286.089.771
Export Credit Bank of Turkey	CNY	5.387.600	3,7284	20.087.128
Export Credit Bank of Turkey	USD	2.240.000	27,3767	61.323.808
Government Supplies Office	TL	287.400	1,0000	287.400
Disaster and Emergency Situation of Ministry of Interior	TL	829.500	1,0000	829.500
<b>Total</b>				<b>733.048.494</b>

	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	Foreign currency		TRY equivalent	
Bills given (TL)	203.000.000	200.000.000	203.000.000	200.000.000
<b>Total</b>			<b>203.000.000</b>	<b>200.000.000</b>

As at 30 September 2023, mortgages on various tangible assets of the Group amounting to 218.479.300 TRY (31 December 2022: TRY 184.830.740).

#### Contingent Asset

	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	Foreign currency		TRY equivalent	
Letters of Guarantee (TRY)	744.624.500	519.303.000	744.624.500	519.303.000
Letters of Guarantee (USD)	3.517.500	3.200.000	96.297.542	59.834.560
Letters of Guarantee (EUR)	1.535.000	880.000	44.561.818	17.542.712
Mortgages	379.517.500	283.932.500	379.517.500	283.932.500
Mortgages (Abroad)	3.775.000	4.325.000	103.347.043	80.870.148
Checks Received	3.150.000	2.850.000	3.150.000	2.850.000
<b>Total</b>			<b>1.371.498.402</b>	<b>964.332.920</b>

#### NOTE 14 – SHARE CAPITAL

##### 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 149.798.932 in order 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 30 September 2023 and 31 December 2022 is as follows;

	30 September 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 <sup>(1)</sup>	117.963.490	78,75%	117.963.490	78,75%
<b>Total</b>	<b>149.798.932</b>	<b>100,00%</b>	<b>149.798.932</b>	<b>100,00%</b>

<sup>(1)</sup> Includes nominal repurchase shares amounting to TRY 6.035.734 at the rate of 4,03 % stated.

### Foreign currency conversion differences

Currency conversion differences as of 30 September 2023 and 31 December 2022 are as follows;

	30 September 2023	31 December 2022
1 January	14.293.299	7.083.800
Addition	32.036.406	7.209.499
<b>Total</b>	<b>46.329.705</b>	<b>14.293.299</b>

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 30 September 2023 and 31 December 2022 buy back shares as following;

	30 September 2023	31 December 2022
Beginning of the period	36.449.260	36.015.309
Buy back shares	--	433.951
<b>Total</b>	<b>36.449.260</b>	<b>36.449.260</b>

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 30 Sep 2023, the Group has Purchased 6.035.734 shares amounting to TRY 30.057.957 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 reclassified in "restricted reserves".

### Retained Earnings

	30 September 2023	31 December 2022
<b>1 January</b>	<b>372.879.435</b>	<b>240.113.597</b>
Increase/ Decrease Due To Buy-Back Shares	--	(433.951)
Transfer From Retained Profit	505.525.992	234.994.058
Dividend Distribution	(200.000.000)	(100.000.000)
Due to other Changes Increase / Decrease	4.543.394	(1.794.269)
<b>Total</b>	<b>682.948.821</b>	<b>372.879.435</b>

## NOTE 15 – REVENUE

For the periods ended at 30 September 2023 and 2022, the details of sales are as following;

	1 January – 30 Sep 2023	1 July – 30 Sep 2023	1 January – 30 Sep 2022	1 July – 30 Sep 2022
Domestic sales	7.643.431.327	2.651.940.067	5.189.269.516	1.944.236.413
Export sales	536.805.431	124.964.227	421.075.410	121.997.178
Other sales	24.638.010	2.549.356	32.728.555	11.031.458
<b>Gross Sales</b>	<b>8.204.874.768</b>	<b>2.779.453.650</b>	<b>5.643.073.481</b>	<b>2.077.265.049</b>
Sales returns (-)	(194.940.374)	(35.729.557)	(127.723.808)	(46.637.516)
Sales discounts (-)	(939.025.276)	(303.077.087)	(972.453.186)	(243.612.722)
Other discounts (-)	(3.143.457)	(840.958)	(2.168.700)	(526.026)
<b>Sales returns and Discounts (-)</b>	<b>(1.137.109.107)</b>	<b>(339.647.602)</b>	<b>(1.102.345.694)</b>	<b>(290.776.264)</b>
<b>Net Sales</b>	<b>7.067.765.661</b>	<b>2.439.806.048</b>	<b>4.540.727.787</b>	<b>1.786.488.785</b>

## NOTE 16 – COST OF SALES (-)

For the periods ended on 30 September 2023 and 2022, the details of cost of sales are as following;

	1 January – 30 Sep 2023	1 July – 30 Sep 2023	1 January – 30 Sep 2022	1 July – 30 Sep 2022
Cost of finished goods sold	(3.680.928.451)	(1.367.892.133)	(2.349.687.985)	(918.539.440)
Cost of merchandise	(967.942.186)	(236.397.868)	(699.698.511)	(300.534.799)
Cost of services sold	(97.437.976)	(33.363.778)	(50.110.028)	(19.686.237)
<b>Total</b>	<b>(4.746.308.613)</b>	<b>(1.637.653.779)</b>	<b>(3.099.496.524)</b>	<b>(1.238.760.476)</b>

## NOTE 17 – RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (-)

	1 January – 30 Sep 2023	1 July – 30 Sep 2023	1 January – 30 Sep 2022	1 July – 30 Sep 2022
General administrative expenses	240.811.184	99.619.358	106.966.487	48.088.640
Marketing, sales and distribution expenses	1.329.489.823	507.259.390	778.551.859	283.361.227
Research and development expenses	32.026.682	12.104.159	14.208.978	5.239.016
<b>Total</b>	<b>1.602.327.689</b>	<b>618.982.907</b>	<b>899.727.324</b>	<b>336.688.883</b>

## EXPENSES BY NATURE (-)

	1 January – 30 Sep 2023	1 July – 30 Sep 2023	1 January – 30 Sep 2022	1 July – 30 Sep 2022
Personnel expenses	585.043.837	248.119.406	248.205.910	99.255.634
Transportation expenses	238.821.154	92.632.859	240.679.057	87.516.020
Advertising expenses	273.904.938	102.694.839	146.489.788	48.453.900
Amortization expenses	82.701.163	27.776.400	43.584.553	21.521.605
Rent expenses	159.355.629	60.704.215	68.319.552	24.114.667
Consultancy expenses	32.469.946	10.025.117	17.779.705	3.093.428
Travel and accommodation expenses	22.792.058	8.796.123	11.424.535	4.555.663
Retailer opening supports	38.330.589	26.420.791	23.433.943	7.232.372
Electricity, water, climate expenses	23.472.104	7.457.409	16.053.071	5.518.141
Retailers common area rent expenses	16.665.508	6.461.274	6.820.769	3.038.253
Retirement pay provision expenses	21.912.711	6.419.733	3.582.361	(109.701)
Material expenses	9.420.539	4.328.718	10.257.330	2.952.580
Tax, duties and fee expenses	2.449.130	825.683	1.815.705	874.590
Maintenance and repair expenses	10.274.462	3.201.128	13.365.496	10.538.286
Insurance expenses	7.078.007	2.785.356	17.779.705	3.093.428
Communication expenses	2.187.382	802.561	1.039.320	361.574
Other expenses	75.448.532	9.531.295	41.723.648	16.865.084
<b>Total</b>	<b>1.602.327.689</b>	<b>618.982.907</b>	<b>899.727.324</b>	<b>336.688.883</b>

## NOTE 18 – FINANCIAL INCOME

	1 January – 30 Sep 2023	1 July – 30 Sep 2023	1 January – 30 Sep 2022	1 July – 30 Sep 2022
Foreign exchange income	26.554.999	5.057.800	4.700.657	(2.678.560)
Interest income	7.325.115	3.149.911	3.170.079	273.815
<b>Total</b>	<b>33.880.114</b>	<b>8.207.711</b>	<b>7.870.736</b>	<b>(2.404.745)</b>

## NOTE 19 – FINANCIAL EXPENSES (-)

	1 January – 30 Sep 2023	1 July – 30 Sep 2023	1 January – 30 Sep 2022	1 July – 30 Sep 2022
Foreign exchange losses	72.017.677	29.368.171	15.871.620	963.610
Interest expenses	226.611.773	101.924.641	73.701.616	16.402.525
Bank commission	55.309.423	25.871.036	3.200.321	1.263.968
Lease payables interest accruals	10.034.129	3.092.918	2.015.768	967.598
Guarantee letter commison expenses	2.718.195	1.204.830	1.090.416	600.700
Other financial expenses	38.883.592	18.552.673	--	(806.085)
<b>Total</b>	<b>405.574.789</b>	<b>180.014.269</b>	<b>95.879.741</b>	<b>19.392.316</b>

## NOTE 20 – TAX ASSETS AND LIABILITIES

Corporate tax is applied on taxable corporate income, which is calculated from the statutory profit by adding back non-deductible expenses and by deducting other exempt income.

Dividend payments made to resident and non-resident individuals, non-resident legal entities and corporations resident in Turkey (except for the ones exempt from corporate and income tax), are subject to an income tax of 15%.

Dividend payments made from a corporation resident in Turkey to a corporation also resident in Turkey are not subject to income tax. Furthermore, income tax is not calculated in case the profit is not distributed or transferred to equity.

In Turkey, advance tax returns are filed on a quarterly basis at the rate of %25, until the 14th day of the following month and paid until the 17th day. Advance tax returns files within the year are offset against corporate income tax calculated over the annual taxable corporate income.

According to the Corporate Tax Law, 50% of the capital gains arising from the sale of tangible assets and 75% of the investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

Therefore, deferred tax assets and liabilities as of 30 Sep 2023 are calculated with 25% tax rate for those which will be realized after 2021 and onwards.

### Exemption for Real Estate and Subsidiary Share Sales Gains

Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayer is exempt from corporation tax. In addition, 75% of the profits arising from the sale of founders' shares, redeemable shares and preferential rights of real estates (immovables) owned by the same duration as the participation shares included in the assets of the institutions for at least two full years are exempt from corporate taxation as of 30 Sep 2023. However, with the amendment made by Law No. 7061, this ratio has been reduced from 75% to 50% in terms of immovables and this ratio will be used as 50% in tax declarations to be prepared from 2019. In order to benefit exclusively, the earning must be kept in a passive fund account and not withdrawn for 5 years. The sales price must be collected until the end of the second calendar year following the year in which the sale is made. There are many exceptions to the Corporate Tax Law. The following are the exceptions to the Company regarding these exceptions:

If the property that reflected balance sheet for two years and sold, their income's 75% as of 30 Sep 2023 non-obliged to corporate tax for this reason Group's properties which are taxable might be occur temporary differences thus accepted 5% for previous periods corporate tax's 75% used exempt. As of 30 Sep 2023 the exemption rate was set at 50%, the exemption was applied and the new deferred tax rate was taken as 10%.

Taxes in balance sheet

	30 September 2023	31 December 2022
Corporation tax	257.313.496	140.774.796
Prepaid taxes and funds (-)	(229.113.700)	(105.703.849)
<b>Total</b>	<b>28.199.796</b>	<b>35.070.947</b>

	30 Sep. 2023	31 Dec. 2022	30 Sep. 2023	31 Dec. 2022
	Cumulative temporary difference	Cumulative temporary difference	Deferred tax assets / (liabilities)	Deferred tax assets / (liabilities)
<b>Deferred taxes:</b>				
Right of use assets	186.634.234	161.213.885	46.658.559	37.079.194
Retirement pay provision	64.739.551	31.979.543	15.892.109	6.596.040
Maturity difference and adjustments on inventories	30.109.045	41.353.324	7.527.261	9.511.265
Provisions for doubtful receivables	19.862.138	19.029.147	4.965.535	3.805.829
Rediscount on receivables	16.863.344	15.015.162	4.215.836	3.453.487
Capitalized brand cancellations	3.424.305	3.424.305	856.076	684.861
Adjustment of Prepaid Expenses	23.222.101	--	5.805.525	--
Adjustment of FX gain/loss	1.500.135	1.194.619	375.034	274.758
Fixed asset valuation decrease	--	500.000	--	700.510
Provision for costs	405.529	405.529	101.382	93.272
Adjustment of investment properties	394.732	394.732	98.683	78.946
Interest accruals	--	2.967.522	--	682.530
Other	10.242.219	2.970.293	2.560.555	683.169
<b>Deferred tax assets</b>	<b>357.397.333</b>	<b>280.448.061</b>	<b>89.056.555</b>	<b>63.643.861</b>
Fixed asset valuation increases	(388.595.724)	(388.595.724)	(43.466.425)	(43.513.237)
Lease payables	(169.894.074)	(147.380.645)	(42.473.518)	(33.897.548)
Adjustment of tangible and intangible assets	(52.725.019)	(69.795.332)	(11.535.750)	(12.862.063)
Rediscount on payables	(41.308.090)	(33.434.359)	(10.327.023)	(7.689.903)
Adjustment of investment properties	(18.112.600)	(18.112.600)	(4.528.150)	(4.165.898)
Retirement pay provision	--	(10.116.652)	--	(225.900)
Doubtful receivables provisions	(2.668.445)	(2.668.445)	(667.111)	(613.742)
Adjustment on prepaid expenses	(24.049.257)	(2.250.177)	(6.012.314)	(517.541)
Adjustment of Time Deposit Interest Accruals	--	(4.989)	--	(1.147)
Other	(862.603)	(775.117)	(215.651)	(178.277)
<b>Deferred tax liabilities</b>	<b>(698.215.812)</b>	<b>(673.134.040)</b>	<b>(119.225.942)</b>	<b>(103.665.256)</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>(340.818.479)</b>	<b>(392.685.979)</b>	<b>(30.169.387)</b>	<b>(40.021.395)</b>

## NOTE 21 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

### Financial Instruments

#### Foreign currency risk

The carrying amounts of foreign currency assets and liabilities held by the Group as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023					
	TRY equivalent functional currency	USD	EUR	GBP	RUB	CNY
1. Trade Receivables	285.612.768	9.163.960	1.175.785	17.925	--	--
2a. Monetary Financial Assets (including cash, banks)	47.762.755	1.607.772	128.973	7	--	772
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	79.431.556	1.014.268	1.779.654	--	--	--
<b>4. Current Assets (1+2+3)</b>	<b>412.807.079</b>	<b>11.786.000</b>	<b>3.084.412</b>	<b>17.932</b>	<b>--</b>	<b>772</b>
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	1.563.812	57.122	--	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>1.563.812</b>	<b>57.122</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>414.370.891</b>	<b>11.843.122</b>	<b>3.084.412</b>	<b>17.932</b>	<b>--</b>	<b>772</b>
10. Trade Payables	267.127.951	5.424.295	4.073.411	10.931	34.010	--
11. Financial Liabilities	340.851.005	3.650.000	7.675.244	--	--	4.857.279
12a. Other monetary financial liabilities	22.239.681	633.643	168.534	--	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--	--
<b>13. Current Liabilities (10+11+12)</b>	<b>630.218.637</b>	<b>9.707.938</b>	<b>11.917.189</b>	<b>10.931</b>	<b>34.010</b>	<b>4.857.279</b>
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	108.392.542	--	3.733.747	--	--	--
16a. Other monetary financial liabilities	--	--	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--	--
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>108.392.542</b>	<b>--</b>	<b>3.733.747</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>738.611.179</b>	<b>9.707.938</b>	<b>15.650.936</b>	<b>10.931</b>	<b>34.010</b>	<b>4.857.279</b>
<b>19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Hedged amount of assets	--	--	--	--	--	--
19b. Hedged amount of liabilities position	--	--	--	--	--	--
<b>20. Net foreign currency position asset / liabilities (9-18+19)</b>	<b>(324.240.288)</b>	<b>2.135.184</b>	<b>(12.566.524)</b>	<b>7.001</b>	<b>(34.010)</b>	<b>(4.856.507)</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(405.235.656)</b>	<b>1.063.794</b>	<b>(14.346.178)</b>	<b>7.001</b>	<b>(34.010)</b>	<b>(4.856.507)</b>

	31 December 2022				
	TRY equivalent functional currency	USD	EUR	GBP	RUB
1. Trade Receivables	480.105.256	17.717.240	6.921.885	18.000	40.200.000
2a. Monetary Financial Assets (including cash, banks)	30.412.310	1.479.707	125.070	11.163	--
2b. Non-monetary financial assets	--	--	--	--	--
3. Other	27.062.615	985.282	425.181	7.274	--
<b>4. Current Assets (1+2+3)</b>	<b>537.580.181</b>	<b>20.182.229</b>	<b>7.472.136</b>	<b>36.437</b>	<b>40.200.000</b>
5. Trade Receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--
7. Other	1.068.084	57.122	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>1.068.084</b>	<b>57.122</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>538.648.265</b>	<b>20.239.351</b>	<b>7.472.136</b>	<b>36.437</b>	<b>40.200.000</b>
10. Trade Payables	155.572.820	3.417.431	4.597.712	396	34.050
11. Financial Liabilities	148.255.322	434.205	7.029.703	--	--
12a. Other monetary financial liabilities	12.011.058	436.007	193.553	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--
<b>13. Current Liabilities (10+11+12)</b>	<b>315.839.200</b>	<b>4.287.643</b>	<b>11.820.968</b>	<b>396</b>	<b>34.050</b>
14. Trade Payables	--	--	--	--	--
15. Financial Liabilities	110.177.581	--	5.526.869	--	--
16a. Other monetary financial liabilities	--	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>110.177.581</b>	<b>--</b>	<b>5.526.869</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>426.016.781</b>	<b>4.287.643</b>	<b>17.347.837</b>	<b>396</b>	<b>34.050</b>
<b>19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Hedged amount of assets	--	--	--	--	--
19b. Hedged amount of liabilities position	--	--	--	--	--
<b>20. Net foreign currency position asset / liabilities (9-18+19)</b>	<b>112.631.484</b>	<b>15.951.708</b>	<b>(9.875.701)</b>	<b>36.041</b>	<b>40.165.950</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>84.500.785</b>	<b>14.909.304</b>	<b>(10.300.882)</b>	<b>28.767</b>	<b>40.165.950</b>

Details of the import and export amounts of the Group as of 30 September 2023 and 2022 are as follows;

	1 January – 30 September 2023		1 January – 30 September 2022	
	Import	Export	Import	Export
USD	10.707.239	14.832.289	11.155.093	15.952.587
EUR	8.160.925	5.648.249	7.161.151	7.593.459
TRY	--	6.634.757	--	4.688.313
GBP	--	--	54.829	--
CHF	--	--	12.137	--
CNY	4.857.600	--	--	--
<b>TRY equivalent</b>	<b>433.597.602</b>	<b>460.911.751</b>	<b>291.071.534</b>	<b>386.432.515</b>

### Foreign Currency Risk Sensitivity Analysis

As of 30 September 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		
30 September 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	5.845.429	(5.845.429)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	5.845.429	(5.845.429)
In case of appreciation / depreciation of EUR against TRY at 10%		
4- EUR net asset / liability	(36.481.247)	36.481.247
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(36.481.247)	36.481.247
In case of appreciation / depreciation of GBP against TRY at 10%		
7-GBP net asset/liability	23.440	(23.440)
8-Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	23.440	(23.440)
In case of appreciation / depreciation of RUB against TRY at 10%		
10-RUB net asset/liability	(951)	951
11-Part of hedged from RUB risk (-)	--	--
12-RUB net effect (10+11)	(951)	951
In case of appreciation / depreciation of CNY against TRY at 10%		
13-CNY net asset/liability	(1.810.700)	1.810.700
14-Part of hedged from CNY risk (-)	--	--
15-CNYnet effect (13+14)	(1.810.700)	1.810.700
<b>Total (3+6+9+12+15)</b>	<b>(32.424.029)</b>	<b>32.424.029</b>

<b>Foreign Currency Risk Sensitivity Analysis Table</b>		
<b>31 December 2022</b>		
	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	29.826.982	(29.826.982)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	29.826.982	(29.826.982)
In case of appreciation / depreciation of EUR against TRY at 10%		
4- EUR net asset / liability	(19.687.111)	19.687.111
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(19.687.111)	19.687.111
In case of appreciation / depreciation of GBP against TRY at 10%		
7-GBP net asset/liability	81.051	(81.051)
8-Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	81.051	(81.051)
In case of appreciation / depreciation of RUB against TRY at 10%		
10-RUB net asset/liability	1.042.226	(1.042.226)
11-Part of hedged from RUB risk (-)	--	--
12-RUB net effect (10+11)	1.042.226	(1.042.226)
<b>Total (3+6+9+12)</b>	<b>11.263.148</b>	<b>(11.263.148)</b>

## NOTE 22 – 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 cash and cash equivalents 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.

**NOTE 23 – OTHER ISSUES AFFECTING THE CONDENSED CONSOLIDATED FINANCIAL STATESMENTS SIGNIFICANTLY OR REQUIRED TO BE DISCLOSURE FOR CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION**

None. (31 December 2022: None).

**NOTE 24 – POST BALANCE SHEET EVENTS**

None. (31 December 2022: None).