VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY– 31 DECEMBER 2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (BALANCE SHEETS) AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	2.294.683	2.557.953
Financial Assets		35.331	66.162
Trade Receivables		17.825.902	18.082.032
Trade Receivables Due from Related Parties	*7*	*456.542*	*67.305*
Trade Receivables Due from Third Parties	*8*	*17.369.360*	*18.014.727*
Other Receivables		2.255.571	4.152.974
Other Receivables Due from Related Parties	*7*	*889.313*	*2.228.135*
Other Receivables Due from Third Parties	*9*	*1.366.258*	*1.924.839*
Derivative Financial Instruments	29	187.106	176.676
Inventories	10	23.510.954	22.555.833
Prepaid Expenses		1.523.914	1.315.256
Prepayments to Related Parties		-	*326.585*
Prepayments to Third Parties	*11*	*1.523.914*	*988.671*
Current Tax Assets	27	13.878	56.388
Other Current Assets		457.449	259.960
Other Current Assets Due from Third Parties	*20*	*457.449*	*259.960*
TOTAL CURRENT ASSETS		**48.104.788**	**49.223.234**

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (BALANCE SHEETS) AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
NON-CURRENT ASSETS			
Financial Assets		289.257	434.238
Associates Accounted by Using the Equity Method	12	5.857.271	5.123.316
Trade Receivables		821	111
Trade Receivables Due from Third Parties	*8*	*821*	*111*
Other Receivables		28.801.484	27.108.015
Other Receivables Due from Related Parties	*7*	*28.767.776*	*27.052.676*
Other Receivables Due from Third Parties	*9*	*33.708*	*55.339*
Property, Plant and Equipment	*13*	34.641.411	25.059.592
Right of Use Assets	*14*	1.231.084	989.329
Intangible Assets	*15*	3.913.790	3.288.045
Prepaid Expenses		2.340.924	874.830
Prepayments to Related Parties	8	1.982.111	-
Prepayments to Third Parties	*11*	*358.813*	*874.830*
TOTAL NON-CURRENT ASSETS		**77.076.042**	**62.877.476**
TOTAL ASSETS		**125.180.830**	**112.100.710**

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (BALANCE SHEETS) AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

		Audited	**Audited**
	Notes	**31 December 2023**	**31 December 2022**
LIABILITIES			
CURRENT LIABILITIES			
Short Term Borrowings	6	24.062.917	31.220.451
Short Term Borrowings from Related Parties		-	17.591
Lease Liabilities	*6*	-	*17.591*
Short Term Borrowings from Third Parties		24.062.917	31.202.860
Bank Loans	*6*	*20.281.985*	*29.112.556*
Lease Liabilities	*6*	*230.962*	*213.204*
Issued Debt Instruments	*6*	*3.549.970*	*1.877.100*
Current Portion of Long Term Borrowings		2.824.663	2.301.781
Bank Loans	*6*	*2.824.663*	*2.301.781*
Other Financial Liabilities		1.259.701	-
Trade Payables		41.965.774	35.560.430
Trade Payables to Related Parties	*7*	*112.528*	*72.605*
Trade Payables to Third Parties	*8*	*41.853.246*	*35.487.825*
Payables Related to Employee Benefits	19	912.453	748.018
Other Payables		14.166	4.598
Other Payables to Third Parties	*9*	*14.166*	*4.598*
Derivative Financial Liabilities	29	626.360	981.337
Deferred Revenue		1.073.173	2.064.309
Deferred Revenue from Related Parties		4.022	-
Deferred Revenue from Third Parties	9	1.069.151	2.064.309
Current Tax Liabilities	27	15.668	-
Current Provisions		2.972.156	2.570.464
Other Current Provisions	*17*	*2.972.156*	*2.570.464*
Other Current Liabilities		2.410.560	2.006.927
Other Current Liabilities to Third Parties	*20*	*2.410.560*	*2.006.927*
TOTAL CURRENT LIABILITIES		**78.137.591**	**77.458.315**

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (BALANCE SHEETS) AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
NON-CURRENT LIABILITIES			
Long Term Borrowings		2.532.241	1.798.009
Long Term Borrowings from Third Parties		2.532.241	1.798.009
Bank Loans	*6*	*1.867.476*	*1.143.322*
Lease Liabilities	*6*	*664.765*	*654.687*
Other Financial Liabilities		257.015	-
Trade Payables		178.174	301.331
Trade Payables to Third Parties	*8*	*178.174*	*301.331*
Non-current Provisions		1.930.013	2.293.122
Non-current Provisions for Employee Benefits	*19*	*1.580.853*	*2.043.194*
Other Non-current Provisions	*17*	*349.160*	*249.928*
Deferred Tax Liabilities	27	1.272.751	16.320
Other Non-current Liabilities		12.836	6.389
Other Non-current Liabilities to Third Parties		*12.836*	*6.389*
TOTAL NON-CURRENT LIABILITIES		**6.183.030**	**4.415.171**
TOTAL LIABILITIES		**84.320.621**	**81.873.486**

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS (BALANCE SHEETS) AS OF 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 31 December 2023	Audited 31 December 2022
EQUITY			
Equity Attributable to Owners of Parent		**36.044.256**	**27.374.845**
Share Capital	21	335.456	335.456
Adjustments to Share Capital		15.514.508	15.514.508
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss		7.755.669	1.687.936
Revaluation of Property, Plant and Equipment	*21*	*9.041.079*	*2.756.931*
Gains (Losses) on Remeasurement of Defined Benefit Plans		*(1.285.410)*	*(1.068.995)*
Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss		1.505.072	1.050.027
Exchange Differences on Translation		1.609.481	1.180.759
Gains (Losses) on Cash Flow Hedges		*(165.241)*	*(213.162)*
Financial Assets Measured of Fair Value through Other Compressive Income	*21*	*60.832*	*82.430*
Restricted Reserves Appropriated from Profits		1.253.194	1.253.194
Legal Reserves	*21*	*1.253.194*	*1.253.194*
Retained Earnings		8.230.732	7.645.059
Current Period Net Profit Or (Loss)		1.449.625	(111.335)
Non-controlling Interests		**4.815.953**	**2.852.379**
TOTAL EQUITY		**40.860.209**	**30.227.224**
TOTAL LIABILITIES AND EQUITY		**125.180.830**	**112.100.710**

Consolidated financial statements for the period 1 January - 31 December 2023, were approved by the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. on 5 April 2024.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
PROFIT OR LOSS			
Revenue	22	112.215.734	111.124.940
Cost of Sales	22	(87.243.106)	(92.235.255)
GROSS PROFIT		**24.972.628**	**18.889.685**
General Administrative Expenses	24	(2.838.815)	(2.421.239)
Marketing Expenses	24	(14.094.334)	(13.005.692)
Research and Development Expense	24	(1.939.046)	(1.686.526)
Other Income from Operating Activities	25	2.104.711	5.826.950
Other Expenses from Operating Activities	25	(15.900.432)	(15.471.283)
(LOSS) / PROFIT FROM OPERATING ACTIVITIES		**(7.695.288)**	**(7.868.105)**
Share of Net Profit of Associates Accounted for Using the Equity Method		880.583	1.631.419
(LOSS) / PROFIT BEFORE FINANCING INCOME		**(6.814.705)**	**(6.236.686)**
Finance Income	26	18.431.136	20.062.681
Finance Costs	26	(18.340.172)	(19.388.094)
Monetary Gain / (Loss)		9.738.769	5.902.220
PROFIT BEFORE INCOME TAX		**3.015.028**	**340.121**
Tax (Expense) Income, Continuing Operations		(683.869)	(148.635)
Current Tax Expense	27	(322.063)	(38.618)
Deferred Tax Income / (Loss)	27	(361.806)	(110.017)
PROFIT FOR THE PERIOD		**2.331.159**	**191.486**
Profit / (loss), attributable to			
Non-controlling Interests		881.534	302.821
Owners of Parent	28	1.449.625	(111.335)
Earnings per share with a Kr 1 of Par Value (TL)	28	**0,0432**	**(0,0033)**

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
PROFIT FOR THE PERIOD OTHER COMPREHENSIVE INCOME		**2.331.159**	**191.486**
Other Comprehensive Income that will not be Reclassified to Profit or Loss		**7.099.878**	**(1.026.955)**
Gains (Losses) on Revaluation of Property, Plant and Equipment	13	8.873.580	389.273
Gains (Losses) on Remeasurements of Defined Benefit Plans		(442.684)	(1.154.187)
Gains (Losses) on Revaluation of Property, Plant and Equipment of Associates Accounted by Using Equity Method		(185.417)	6.669
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Profit or Loss		**(1.145.601)**	**(268.710)**
Taxes Relating to Gains (Losses) on Revaluation of Property, Plant and Equipment		(1.329.160)	(499.547)
Taxes Relating to Remeasurements of Defined Benefit Plans		183.559	230.837
Other Comprehensive Income that will be Reclassified to Profit or Loss		**453.076**	**(2.224.749)**
Foreign Exchange Differences on Translation		614.139	(1.757.801)
Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income		(28.797)	71.067
Gains (Losses) on Cash Flow Hedges		68.612	(716.226)
Gains (Losses) on Exchange Differences on Translation of Investments Accounted by Using Equity Method		(185.417)	49.179
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		**(15.461)**	**129.032**
Taxes Relating to Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income		7.199	(14.213)
Taxes Relating to Cash Flow Hedges		(22.660)	143.245
OTHER COMPREHENSIVE INCOME		**7.552.954**	**(3.251.704)**
TOTAL COMPREHENSIVE INCOME		**9.884.113**	**(3.060.218)**
Total Comprehensive Income Attributable to			
Non-controlling Interests		1.776.013	110.798
Owners of Parent		8.108.100	(3.171.016)

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Issued Capital	Inflation Adjustments on Capital	Increases (Decreases) on Revaluation of Property, Plant and Equipment	Gains (Losses) on Remeasure-ment of Defined Benefit Plans	Gains (Losses) Revaluations and Remeasurements	Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss	Exchange Differences on Translation	Gains (Losses) on Cash Flow Hedges	Reserve Of Gains or Losses on Hedge	Gains (Losses) on Remeasuring Financial Assets Measured of Fair Value through Other Compressive Income	Gains (Losses) on Revaluation and Reclassification	Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss	Restricted Reserves Appropriated From Profits	Prior Years' Profits or Losses	Current Period Net Profit Or Loss	Retained Earnings	Equity attribut-able to owners of parent	Non-controll-ing interests	Equity
Previous Period																			
1 January -31 December 2022																			
Beginning of Period	**335.456**	**15.514.508**	**3.142.579**	**(238.309)**	**2.904.270**	**2.904.270**	**2.889.381**	**359.819**	**359.819**	**18.916**	**18.916**	**3.268.116**	**1.263.766**	**(345.687)**	**7.249.636**	**6.903.949**	**30.190.065**	**2.744.810**	**32.934.875**
Transfers	-	-	(238.156)	-	(238.156)	(238.156)	-	-	-	-	-	-	(3.366)	7.491.158	(7.249.636)	241.522	-	-	-
Total Comprehensive Income	-	-	(97.733)	(846.620)	(944.353)	(944.353)	(1.708.622)	(463.560)	(463.560)	56.854	56.854	(2.115.328)	-	-	(111.335)	(111.335)	(3.171.016)	110.798	(3.060.218)
Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(111.335)	(111.335)	(111.335)	302.821	191.486
Other Comprehensive Income (Loss)	-	-	(97.733)	(846.620)	(944.353)	(944.353)	(1.708.622)	(463.560)	(463.560)	56.854	56.854	(2.115.328)	-	-	-	-	(3.059.681)	(192.023)	(3.251.704)
Dividends Paid (Note 7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(243.384)	(243.384)
Transactions with non-controlling	-	-	(49.759)	15.934	(33.825)	(33.825)	-	(109.421)	(109.421)	6.660	6.660	(102.761)	(7.206)	499.588	-	499.588	355.796	240.155	595.951
End of Period	**335.456**	**15.514.508**	**2.756.931**	**(1.068.995)**	**1.687.936**	**1.687.936**	**1.180.759**	**(213.162)**	**(213.162)**	**82.430**	**82.430**	**1.050.027**	**1.253.194**	**7.645.059**	**(111.335)**	**7.533.724**	**27.374.845**	**2.852.379**	**30.227.224**
Current Period																			
1 January -31 December 2023																			
Opening Balance	**335.456**	**15.514.508**	**2.756.931**	**(1.068.995)**	**1.687.936**	**1.687.936**	**1.180.759**	**(213.162)**	**(213.162)**	**82.430**	**82.430**	**1.050.027**	**1.253.194**	**7.645.059**	**(111.335)**	**7.533.724**	**27.374.845**	**2.852.379**	**30.227.224**
Transfers	-	-	(133.309)	-	(133.309)	(133.309)	-	-	-	-	-	-	-	21.974	111.335	133.309	-	-	-
Total Comprehensive	-	-	6.442.622	(233.151)	6.209.471	6.209.471	428.722	41.880	41.880	(21.598)	(21.598)	449.004	-	-	1.449.625	1.449.625	8.108.100	1.776.013	9.884.113
Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.449.625	1.449.625	1.449.625	881.534	2.331.159
Other Comprehensive Income (Loss)	-	-	6.442.622	(233.151)	6.209.471	6.209.471	428.722	41.880	41.880	(21.598)	(21.598)	449.004	-	-	-	-	6.658.475	894.479	7.552.954
Dividends Paid (Note 7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(114.351)	(114.351)
Transactions with non-controlling	-	-	(25.165)	16.736	(8.429)	(8.429)	-	6.041	6.041	-	-	6.041	-	563.699	-	563.699	561.311	301.912	863.223
Closing Balance	**335.456**	**15.514.508**	**9.041.079**	**(1.285.410)**	**7.755.669**	**7.755.669**	**1.609.481**	**(165.241)**	**(165.241)**	**60.832**	**60.832**	**1.505.072**	**1.253.194**	**8.230.732**	**1.449.625**	**9.680.357**	**36.044.256**	**4.815.953**	**40.860.209**

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 1 JANUARY – 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		**7.060.960**	**(3.999.835)**
Profit for the Period		2.331.159	191.486
Profit (Loss) from Continuing Operations		2.331.159	191.486
Adjustments to Reconcile Profit for the Period		**(1.344.852)**	**(3.527.106)**
Adjustments for Depreciation and Amortisation Expense	13	4.305.820	3.777.452
Adjustments for Impairment Loss (Reversal of Impairment Loss)		(230.540)	(119.376)
Adjustments for Impairement Loss (Reversal of Impairment Loss) of Receivables	8,9	(281.227)	(216.628)
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	10	50.687	97.252
Adjustments for Provisions		1.016.046	(531.622)
Adjustments for (Reversal of) Provisions Related with Employee Benefits	19	515.122	258.975
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	17	(23.201)	(27.715)
Adjustments for (Reversal of) Warranty Provisions	17	894.584	506.993
Adjustments for (Reversal of) Other Provisions	17	(370.459)	(1.269.875)
Adjustments for Interest (Income) Expenses		2.339.027	1.509.501
Adjustments for Interest Income	26	(3.239.009)	(2.807.965)
Adjustments for Interest Expense	26	5.578.036	4.317.466
Adjustments for Unrealised Foreign Exchange Losses (Gains)		(7.995.400)	(6.552.843)
Adjustments for Fair Value Losses (Gains)		(296.795)	(569.620)
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		(296.795)	(569.620)
Adjustments for Gains From Investments Accounted for Using Equity Method		(880.583)	(1.631.419)
Adjustments for Tax (Income) Expenses		683.869	148.635
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(57.240)	(43.922)
Adjustments for Losses (Gains) Arised from Sale of Tangible Assets		(57.240)	(43.922)
Other Adjustments to Reconcile Profit (Loss)	5	14	24
Monetary Gain / (Loss)		(229.070)	486.084

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 1 JANUARY – 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Changes in Working Capital		**6.827.813**	**(496.208)**
Decrease (Increase) in Financial Asset		737.546	923.902
Adjustments for Decrease (Increase) in Trade Accounts Receivable		536.647	201.150
Decrease (Increase) in Trade Accounts Receivables from Related Parties		(389.237)	(29.053)
Decrease (Increase) in Trade Accounts Receivables from Third Parties		925.884	230.203
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		733.025	19.869
Decrease (Increase) in Other Third Party Receivables Related with Operations		733.025	19.869
Adjustments for Decrease (Increase) in Inventories		(1.005.808)	5.595.461
Decrease (Increase) in Prepaid Expenses		(208.658)	340.489
Adjustments for Increase (Decrease) in Trade Accounts Payable		6.597.093	(8.007.622)
Increase (Decrease) in Trade Accounts Payables to Related Parties		39.923	(106.061)
Increase (Decrease) in Trade Accounts Payables to Third Parties		6.557.170	(7.901.561)
Increase (Decrease) in Employee Benefit Liabilities		164.435	(8.518)
Adjustments for Increase (Decrease) in Other Operating Payables		9.568	(24.505)
Increase (Decrease) in Other Operating Payables to Third Parties		9.568	(24.505)
Increase (Decrease) in Deferred Revenue		(991.136)	943.746
Other Adjustments for Other Increase (Decrease) in Working Capital		255.101	(480.180)
Decrease (Increase) in Other Assets Related with Operations		(154.979)	314.094
Increase (Decrease) in Other Payables Related with Operations		410.080	(794.274)
Cash Flows from (used in) Operations		**7.814.120**	**(3.831.828)**
Payments Related with Provisions for Employee Benefits	19	(586.887)	(104.889)
Income Taxes Refund (Paid)	27	(166.273)	(63.118)

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**(7.705.365)**	**(7.454.754)**
Proceeds from sales of Shares Without Change in Control of Subsidiaries or Other Businesses		863.223	595.951
Cash Outflows Arising from Purchase of Shares or Capital Increase of Associates		(561.734)	(1.056.499)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		67.076	77.548
Purchase of Property, Plant, Equipment and Intangible Assets		(5.459.819)	(6.867.303)
Purchase of Property, Plant and Equipment	13	(3.911.838)	(6.063.599)
Purchase of Intangible Assets	15	(1.547.981)	(803.704)
Cash Advances and Loans		(2.614.111)	(204.451)
Cash Advances and Loans Made to Related Parties		(2.786.229)	(399.955)
Cash Advances and Loans Made to Third Parties		172.118	195.504
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**1.386.691**	**10.570.226**
Proceeds from Borrowings	6	49.716.527	50.170.430
Proceeds from Loans		42.588.020	47.637.457
Proceeds from Issued Debt Instruments		5.926.697	2.532.973
Proceeds from Other Financial Borrowings		1.201.810	-
Repayments of Borrowings		(42.896.802)	(35.357.439)
Loan Repayments	6	(41.090.862)	(33.174.140)
Issued bonds repayments		(1.805.940)	(2.183.299)
Changes of Lease Liabilities		10.245	272.128
Dividends Paid	7	(114.351)	(243.384)
Interest Paid		(5.559.425)	(4.292.557)
Interest Received		230.497	21.048
NET INCREASE (DECREASE) IN CASH AND CASH		**742.286**	**(884.363)**
EFFECT OF MONETARY GAIN / LOSS ON CASH AND CASH EQUIVALENTS		**(1.092.103)**	**(2.619.580)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents		86.561	407.200
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(263.256)**	**(3.096.743)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	2.557.917	5.654.660
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**2.294.661**	**2.557.917**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi ("Vestel Elektronik" or "the Company") and its subsidiaries (together "the Group"), mainly produce and sell a range of brown goods and white goods. The Company's head office is located at Levent 199, Büyükdere Caddesi No: 199, 34394 Şişli / Istanbul. The Group's facilities are located in Manisa Organized Industrial Zone, and İzmir Aegean Free Zone.

The ultimate controlling party of the Company is Zorlu Family.

Vestel Elektronik is registered to Capital Market Board ("CMB") and its shares have been quoted to Borsa Istanbul ("BİST") since 1990. As of 31 December 2023, 44,31 % of the Group's shares are publicly traded (2022: 39,05%).

As of 31 December 2023 the number of personnel employed at Group is 19.304 (31 December 2022: 20.438).

The Company's subsidiaries and associates are as follows:

Subsidiaries	**Country**	**Nature of operations**
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	Turkey	Production
Vestel Komünikasyon Sanayi ve Ticaret A.Ş.	Turkey	Production
Vestel Ticaret A.Ş.	Turkey	Sales
Vestel CIS Ltd.	Russia	Sales
Vestel Electronica SRL	Romania	Sales
Vestel Iberia SL	Spain	Sales
Vestel France SA	France	Sales
Vestel Holland BV	Holland	Sales
Vestel Holland B.V. Germany Branch Office	Germany	Sales
Cabot Communications Ltd.	UK	Software
Vestel UK Ltd.	UK	Sales
Vestel Holland B.V. UK Branch Office	UK	Sales
Vestek Elektronik Araştırma Geliştirme A.Ş.	Turkey	Software
Vestel Trade Ltd.	Russia	Sales
Vestel Electronics Shanghai Trading Co. Ltd	China	Service
Intertechnika LLC	Russia	Service
Vestel Central Asia LLP	Kazakhstan	Sales
Vestel Ventures Ar-ge A.Ş.	Turkey	Service
Vestel Holland B.V. Poland Branch Office	Polonya	Sales
Vestel Electronics Gulf DMC	UAE	Sales
Vestel U.S.A.	Inited States	Sales

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Cont'd)

Associates	Country	Nature of operations
Lentatek Uzay Havacılık ve Teknoloji A.Ş.	Turkey	Production/ Sales
Aydın Yazılım Elektronik ve Sanayi A.Ş.	Turkey	Software
Meta Nikel Kobalt Madencilik San. ve Tic. A.Ş. ("Meta")	Turkey	Mining
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. ("TOGG")	Turkey	Automotive

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Statement of compliance

The consolidated financial statements of Vestel Elektronik have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretation Committee applicable to the companies reporting under IFRS. The financial statements comply with IFRS as issued by International Accounting Standards Board ("IASB"). The significant accounting policies adopted in the preparation of these consolidated financial statements have been consistently applied to the years presented, unless otherwise stated. The accompanying consolidated financial statements are prepared on the historical cost basis as adjusted for the effects of inflation on Turkish Lira at the reporting date based on International Accounting Standard ("IAS") No. 29 "Financial Reporting in Hyperinflationary Economies" except for the monetary assets and liabilities and those assets and liabilities which are measured at fair value.

The Group and its subsidiaries operating in Turkey manintain their accounting records and prepare its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The consolidated financial statements, except for land, buildings and land improvements and the financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in TL.

Consolidated subsidiaries operating in foreign countries have prepared their financial statements in accordance with the laws and regulations of the countries in which they operate with the required adjustments and reclassifications reflected in accordance with International Financial Reporting Standards ("IFRS"). These 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 IFRS.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

2.1.2 Financial Reporting in Hyperinflationary Economies

Since the cumulative three-year inflation rate has risen to above 100% as of March 2022, based on the Turkish nation-wide consumer price indices announced by the Turkish Statistical Institute ("TÜİK"), Turkey should be considered a hyperinflationary economy under IAS 29 starting from 30 April 2022.

IAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2022, on the purchasing power basis as of 31 December 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the TÜİK. As of 31 December 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date Index Adjustment Coefficient Three -Year Inflation Rate:

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1.2 Financial Reporting in Hyperinflationary Economies (Cont'd)

The main elements of the Group's adjustment for financial reporting purposes in hyperinflationary economies are as follows:

- The current period consolidated financial statements prepared in TL are expressed with the purchasing power at the balance sheet date, and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed with current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of IAS 36 Impairment of Asset and IAS 2 Inventories are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficient.
- All items included in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet, are indexed on a quarterly basis with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.
- The effect of inflation on the Group's net monetary liability position in the current period is recorded in the monetary gain account in the consolidated income statement.
- The Group measures its lands, land improvements and buildings at fair value by way of revaluation policy.

As part of transition provisions in IAS 29 associated revaluation funds recognised under equity was reclassified to the retained earnings as of 1 January 2021.

The Group's consolidated financial statements prepared in accordance with IFRS as of 31 December 2022 were approved on 5 April 2024, and the date of first application of the IAS 29 "Financial Reporting in Hyperinflationary Economies " standard in these IFRS financial statements is 1 January 2021. The transitional provisions of the IAS 29 are reflected in the consolidated financial statements as of the same date, which can be also accessed at https://www.vestelyatirimciiliskileri.com/finansal-bilgiler/ufrs-finansal-tablolar.aspx" and the consolidated financial statements prepared in accordance with TFRS as of 31 December 2023. A separate transition date for the implementation of IAS 29 is not determined in the tables.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1.3 Currency used

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Turkish Lira ("TL"), which is the functional currency of Vestel Elektronik and the presentation currency of the Group. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

ii) Transactions and balances

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from the settlement and translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow and net investment which are included under shareholders' equity.

iii) Translation of financial statements of subsidiaries having functional currency other than TL

Assets and liabilities of subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using quarterly average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction) and then rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the TÜİK.

Exchange differences arising from using average and balance sheet date rates are included in "exchange differences on translation" under equity.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1.4 Basis of consolidation

The consolidated financial statements include the accounts of the parent and its subsidiaries from the date on which the control is transferred to the Group until the date that the control ceases. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with IFRS by applying uniform accounting policies and presentation.

a) Subsidiaries

The Group has power over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity's returns. On the other hand, the Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In order to be consistent with accounting policies accepted by the Group, accounting policies of the subsidiaries are modified where necessary.

The balance sheet and statement of income of the subsidiaries are consolidated on a line-by-line basis and all material intercompany payable /receivable balances and sales / purchase transactions are eliminated. The carrying value of the investment held by Vestel Elektronik and its subsidiaries is eliminated against the related shareholders' equity.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as "non-controlling interest" in the consolidated statements of comprehensive income and the consolidated statements of changes in shareholders' equity.

As of the balance sheet date, consolidated companies and the proportion of ownership interest of Vestel Elektronik in these subsidiaries are disclosed in note 3.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

b) Investments in associates

Investments in associates are accounted for by the equity method and are initially recognized at cost. These are entities in which the Group has an interest which is more than 20% and less than 50% of the voting rights or over which a significant influence is exercised. Unrealized gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associates, whereas unrealized losses are eliminated unless they do not address any impairment of the asset transferred. Net increase or decrease in the net asset of associates is included in the consolidated statements of comprehensive income in regards with the Group's share.

The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. After the Group's interest in the associates becomes nil, additional losses are provided for, and a liability recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses not recognized.

The carrying amounts of the investments accounted for using the equity method are reviewed whether there is any indication of impairment at each reporting date. If such an indicator exists, the recoverable amount of the asset is estimated.

The recoverable amount of the investments accounted for using the equity method refers to the higher of value-in-use or fair value less cost to sell. Value-in-use is the present value of future cash flows expected to be generated from an asset or cash generating unit.

If the carrying amount of the investments accounted for using the equity method exceeds the recoverable amount, the impairment is accounted for. Impairments are recognized in profit and loss accounts.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

b) Investments in associates (Cont'd)

Impairments are recorded in the statement of profit or loss. In investments accounted for using the equity method, impairments allocated in previous periods are re-evaluated in each reporting period in the event that impairment decreases or there are indicators that impairment is not valid. Impairment is reversed in case of changes in the estimates used when determining recoverable amount. The increase in the carrying amount of the investments due to the reversal of the impairment loss is accounted in such a way that it does not exceed the carrying amount determined if the impairment loss has not been included in the consolidated financial statements in the previous years.

Financial assets in which the Group has ownership interests below 20%, or in which a significant influence is not exercised by the Group that have quoted market prices in active markets and whose fair values can be reliably measured are classified as financial assets measured at fair value through other comprehensive income in the consolidated financial statements.

The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as "non-controlling interest" in the consolidated statements of financial position and consolidated statements of profit or loss.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.2 Comparatives

Consolidated financial statements of the Group have been prepared comparatively with the preceding financial period, in order to enable determination of trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the consolidated financial statements.

2.3 Changes in accounting policies and accounting estimates and errors

Major changes in accounting policies are applied retrospectively and any major accounting errors that have been detected are corrected and the financial statements of the previous period are restated. Changes in accounting policies resulting from the initial implementation of a new standard, if any, are implemented retrospectively or prospectively in accordance with the transition provisions. If the changes in accounting estimates only apply to one period, then they are applied in the current period in which the change occurred; if the changes also apply to future periods, they are applied in both the period of change and in the future periods, prospectively.

2.4. Amendments in International Financial Reporting Standards

Standards, amendments, and interpretations applicable as of 31 December 2023:

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 12 - International tax reform - pillar two model rules;** The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Cooperation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. The impact on the Group is being assessed.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4. Amendments in International Financial Reporting Standards (Cont'd)

- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **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.
- **IAS 21 Lack of Exchangeability;** a transaction or activity in a foreign currency that is not convertible into another currency at a effective from annual periods beginning on or after January 1, 2025. An entity is affected when it has particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.
- **IFRS S1, '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.
- **IFRS S2, '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.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies

2.5.1 Revenue recognition

Group recognizes revenue in accordance with IFRS 15 "Revenue from contracts with customers" standard by applying the following five step model:

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

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

a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,

b) Group can identify each party's rights regarding the goods or services to be transferred,

c) Group can identify the payment terms for the goods or services to be transferred,

d) The contract has commercial substance,

e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.1 Revenue recognition (Cont'd)

Revenue from sale of goods

Group recognizes revenue based on the production and sale of white goods, consumer electronics, air conditioners and home appliance. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 18. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The Group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The group is an agent if its performance obligation is to arrange for the provision of goods or services by another party.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.5 Summary of significant accounting policies (Cont'd)

2.5.2 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Group uses moving weighted average method for costing.

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income in the period the write-down or loss occurred.

When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.5.3 Property, plant and equipment

Land, land improvements and buildings are stated at fair value less accumulated depreciation, based on valuations performed by independent valuers at 31 December 2023.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount is the revalued amount of the asset.

Property, plant and equipment except for land, land improvements and buildings are carried at cost in the equivalent purchasing power of TL as at 31 December 2023, less accumulated amortization and impairment losses, if any.

Any revaluation increase arising on the revaluation of such land, land improvements and buildings is credited in equity to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land, land improvements and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued land improvements and buildings is charged to profit or loss.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.3 Property, plant and equipment (Cont'd)

Each period, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) and the depreciation based on the asset's original cost is transferred from revaluation reserves to the retained earnings.

Land is not depreciated. Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Useful lives of property, plant and equipment is as follows:

	Useful life
Land improvements	5 - 33 years
Buildings	10 - 36 years
Leasehold improvements	3 - 10 years
Plant and machinery	2 - 30 years
Motor vehicles	5 - 10 years
Furniture and fixtures	5 - 14 years

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in the related income and expense accounts, as appropriate. On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

Subsequent costs such as repairs and maintenance or part replacement of plant and equipment are included in the asset's carrying value or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other costs are charged to the statements of comprehensive income during the financial period in which they are incurred.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.3 Property, plant and equipment (Cont'd)

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.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the incremental borrowing rate of the relevant Group company.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.3 Property, plant and equipment (Cont'd)

c) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

a) Increasing the carrying amount to reflect interest on lease liability,

b) Reducing the carrying amount to reflect the lease payments made and

c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The duration of the contracts, which constitute the lease obligation of the company, varies between 1 - 20 years.

The Group – as a lessor

The Group's activities as a lessor are not material.

Right of use assets:

The cost of the right-of-use asset comprises:

a) the 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

To apply the cost model, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The Group applies the depreciation requirements in IAS16 Property, Plant and Equipment in depreciating the right-of-use asset.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.4 Intangible assets

a) Research and development costs

Research costs are recognized as expense in the period in which they are incurred. Intangible assets arising from development (or from the development phase of an internal project) are recognized as intangible assets when the following criteria are met;

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

In other cases, development costs are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. In cases where it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and expensed immediately.

b) Rights and other intangible assets

Rights and other intangible assets consist of acquired computer software, computer software development costs and other identifiable rights. Rights and other intangible assets are recognized at their acquisition costs and are amortized on a straight-line basis over their expected useful lives which are less than fifteen years.

Useful life of intangible assets is as follows:

	Useful life
Rights	2 - 15 years
Development cost	2 - 10 years
Other	2 - 15 years

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.5 Financial instruments

a) Financial assets

The Group classifies its financial assets into the following specified categories: financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through other compressive income. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets measured at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

The Group's financial assets carried at amortized cost comprise "trade receivables", "other assets" and "cash and cash equivalents" in the statement of financial position.

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

Financial assets measured at fair value

Assets that are held by the Group for collection of contractual cash flows and for selling the financial assets are measured at their fair value.

If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and choose profit or loss or other comprehensive income for the presentation of fair value gain and loss:

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.5 Financial instruments (Cont'd)

i) Financial assets carried at fair value through profit or loss Financial assets carried at fair value through profit or loss comprise of “derivative instruments” in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group's financial instruments at fair value through profit or loss consist of forward contracts, and currency swaps.

ii) Financial assets carried at fair value through other comprehensive income Financial assets carried at fair value through other comprehensive income comprise of “financial assets” in the statement of financial position. Gains or losses arising from financial assets, other than impairment and exchange rate income or expenses, are recognized in other comprehensive income. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

b) Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.5 Financial instruments (Cont'd)

c) Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The derivative instruments of the Group mainly consist of foreign exchange forward contracts. These derivative transactions, even though providing effective economic hedges under risk accounting, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the financial statements. The fair value changes for these derivatives are recognised in the consolidated profit or loss statement.

The hedging transactions of the Group that qualify for hedge accounting are accounted regarding to IFRS 9. As IFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of IFRS 9 will not have a significant impact on Group's financial statements.

Cash flow hedges:

As long as a cash flow hedge meets the qualifying criteria, the hedging relationship shall be accounted for as follows:

(a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):

(i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

(ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of

the hedge.

(b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income.

(c) any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognised in profit or loss.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.6 Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.5.7 Related parties

Shareholders, key management personnel and board members, their close family members and companies controlled, jointly controlled or significantly influenced by them and Zorlu Holding Group companies are considered and referred to as related parties.

2.5.8 Taxation on income

Tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items directly recognized in equity. In that case, tax is recognized in shareholders' equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Investment incentives that are conducive to payment of corporate taxes at reduced rates are subject to deferred tax calculation when there is reasonable assurance that the Group will benefit from the related incentive.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.8 Taxation on income (Cont'd)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.5.9 Employee benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one-year service. Employment termination benefits are considered as being part of defined retirement benefit plan as per IAS 19. All actuarial gains and losses are recognized in consolidated statements of income.

The effects of the significant forecasts used in employment termination benefits provision calculations have been recognized as actuarial gains and losses and they have been explained in the relevant note.

2.5.10 Government grants

Government grants, including non-monetary grants at fair value, are recognized in consolidated financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grants will be received.

Incentives for research and development activities are recognized in consolidated financial statements when they are authorized by the related institutions.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.11 Earnings per share

Earnings per share disclosed in the consolidated statement of income is determined by dividing consolidated net income attributable to equity holder of the parent by the weighted average number of such shares outstanding during the year concerned.

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

2.5.12 Statement of cash flows

In the consolidated statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Group's production and sales activities. Cash flows from investment activities indicate cash inflows and outflows resulting from property, plant and equipment and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. Cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

2.5.13 Contingent assets and liabilities:

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are disclosed as contingent assets or liabilities Note 18. Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. If an outflow of resources has become probable, contingent liabilities are recognised in the financial statements. Contingent assets are not recognised in financial statements but disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.14 Segment reporting

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Group Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategical decisions.

The Group management evaluates the operational results at industrial and geographical level. Industrial segments are measured until gross profit level while geographical segments are measured only by revenue. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses.

Group's operations are reported under two industrial segments:

- Consumer and mobility electronic
- Household appliances

Group's operations are reported under three geographical segments:

- Turkey
- Europe
- Other

2.5.15 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net if the nature of the transaction or the event qualify for offsetting.

2.5.16 Going Concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5.17 Subsequent Events

Events after the balance sheet date, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorized for issue.

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Group makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

2.5.18 Trade payables

Trade payables are recognized at their fair values.

2.5.19 Borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortized cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income as finance cost over the period of the borrowings. Borrowing costs are expensed as incurred. If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which (at least a period of one year) 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.

In non-monetary items where borrowing costs are adjusted for the effect of inflation and capitalized, the portion of the borrowing costs corresponding to the effect of inflation is separated and expensed.

2.6. Critical accounting estimates and judgments

Preparation of consolidated financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6. Critical accounting estimates and judgments (Cont'd)

Significant estimates of the Group management are as follows:

i. Revaluation of land, buildings and land improvements:

Land, land improvements and buildings are stated at fair value, based on valuations performed by independent valuers as at 31 December 2023 (Note 13).

As there were no recent similar buying/selling transactions nearby, revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements were based on the method of cost approach and based on the following valuation techniques and assumptions:

- Revaluations of land were based on the method of reference comparison whereas revaluations of buildings and land improvements were based on the method of cost approach, considering existing utilization of the aforementioned land, building and land improvements are consistent to the highest and best use approach.
- In the market comparison method, current market information was utilized, taking into consideration the comparable market prices for the recent transactions in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m^2 sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.
- In the cost approaches using quoted market prices for similar items when available and replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the Group performs impairment assessment for buildings and land improvements of which valuations are based on cost approach, accordance with the IAS36 “Impairment of Assets”, and no impairment indicator is identified.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 3 – INTERESTS IN OTHER ENTITIES

Subsidiaries:

As of 31 December 2023 and 31 December 2022 the Group's major subsidiaries are as follows:

		31 December 2023		31 December 2022	
Consolidated subsidiaries	**Functional Currency**	**Voting rights**	**Effective ownership**	**Voting rights**	**Effective ownership**
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	TL	77,33	77,33	80,66	80,66
Vestel Komünikasyon Sanayi ve Ticaret A.Ş.	TL	100,00	100,00	100,00	100,00
Vestel Ticaret A.Ş.	TL	100,00	100,00	100,00	100,00
Vestel CIS Ltd.	RUB	100,00	100,00	100,00	100,00
Vestel Holland B.V. Iberia Branch Office (**)	EUR	100,00	100,00	100,00	100,00
Vestel France SA	EUR	100,00	100,00	100,00	100,00
Vestel Holland B.V.	EUR	100,00	100,00	100,00	100,00
Vestel Holland B.V. Germany Branch Office	EUR	100,00	100,00	100,00	100,00
Cabot Communications Ltd.	GBP	90,80	90,80	90,80	90,80
Vestel UK Ltd.	GBP	100,00	100,00	100,00	100,00
Vestel Holland B.V. UK Branch Office	GBP	100,00	100,00	100,00	100,00
Vestek Elektronik Araştırma Geliştirme A.Ş.	TL	100,00	100,00	100,00	100,00
Vestel Trade Ltd.	RUB	100,00	100,00	100,00	100,00
Intertechnika LLC	RUB	99,90	99,90	99,90	99,90
Vestel Central Asia LLP	KZN	100,00	100,00	100,00	100,00
Vestel Holland B.V. Poland Branch Office (*)	PLN	100,00	100,00	100,00	100,00
Vestel Electronics Gulf DMC	AED	100,00	100,00	100,00	100,00
Vestel Electronics Shanghai Trading Co. Ltd.	CNY	100,00	100,00	100,00	100,00
Vestel Electronica SRL	RON	100,00	100,00	100,00	100,00
Vestel USA	USD	100,00	100,00	100,00	100,00

(*) Vestel Poland sp. z o.o.o., a wholly owned subsidiary of Vestel Elektronik Sanayi ve Ticaret A.Ş., a wholly owned subsidiary of Vestel Ticaret AŞ ("Vestel Ticaret"), a wholly owned subsidiary of Vestel Elektronik Sanayi ve Ticaret A.Ş., and Vestel Holland B.V., a wholly owned subsidiary of Vestel Ticaret B.V., a wholly owned subsidiary of Vestel Elektronik Sanayi ve Ticaret A.Ş., a wholly owned subsidiary of Vestel Ticaret AŞ ("Vestel Ticaret"), domiciled in Poland, was merged under Vestel Holland B.V. With this merger, all assets, liabilities and operations of Vestel Poland sp. z o.o. were transferred to Vestel Holland B.V. Sp. z o.o.o., the Polish branch of Vestel Holland B.V., as of January 1, 2023. Oddzial w Polsce.

(**) Vestel Iberia S.L, a wholly owned subsidiary of Vestel Elektronik Sanayi ve Ticaret A.Ş. ("Vestel Ticaret") based in Spain, and Vestel Holland B.V., a wholly owned subsidiary of Vestel Ticaret A.Ş. ("Vestel Ticaret") based in the Netherlands, have been merged under Vestel Holland B.V. With this merger, all assets, liabilities and operations of Vestel Iberia S.L. have been transferred to Vestel Holland B.V. Sucursal En España, a branch of Vestel Holland B.V. established in Spain, as of October 1, 2023.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)

Subsidiaries (Cont'd):

Financial information of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. which is not wholly owned by the Group and has significant non-controlling interests is as follows.

	31 December 2023	31 December 2022
Accumulated non-controlling interests	4.894.403	2.621.429
Comprehensive income attributable to non-controlling interests	1.776.013	110.798

The financial statements of the subsidiary is adjusted to include the effects of revaluation of land, buildings and land improvements in accordance with the Group's accounting policies applied in preparation of the consolidated financial statements.

Balance sheet:

	31 December 2023	31 December 2022
Current assets	26.495.350	28.346.800
Non-current assets	24.418.676	17.443.660
Current liabilities	(25.211.536)	(30.365.082)
Non-current liabilities	(4.112.711)	(1.870.939)
Net assets	**21.589.779**	**13.554.439**

Statement of comprehensive income:

	1 January - 31 December 2023	1 January - 31 December 2022
Net sales	61.069.905	59.583.113
Income / (loss) before tax	5.500.684	466.115
Tax benefit / (expense)	(776.232)	(254.327)
Net income / (loss) for the period	4.724.452	211.788
Total comprehensive income	8.578.759	(750.869)

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)

Subsidiaries (Cont'd):

Statement of cash flows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Operating activities:		
Changes in working capital	197.540	1.797.542
Net cash provided by operating activities	**3.907.270**	**2.950.418**
Investing activities:		
Net cash used in investing activities	**(1.892.815)**	**(5.160.669)**
Financing activities:		
Proceeds from bank borrowings	5.696.297	11.390.048
Repayment of bank borrowings	(8.025.750)	(3.120.555)
Dividends paid	(543.419)	(1.406.251)
Net cash (used in) / provided by financing activities	**(1.900.663)**	**2.210.274**
Cash and cash equivalents at the beginning of the period	953.628	305.359
Cash and cash equivalents at the end of the period	729.518	953.628

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 4 - SEGMENT REPORTING

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Group Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances.

The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategical decisions.

Considering the fact that the Group's risks and rate of returns are dissimilar between product types and between geographical areas.

Industrial segments

	Consumer and mobility electronics	Household appliances	Total
1 January -31 December 2023			
Revenue	40.103.900	72.111.834	112.215.734
Cost of sales	(35.332.713)	(51.910.393)	(87.243.106)
Gross profit	**4.771.187**	**20.201.441**	**24.972.628**
Depreciation and amortization	**2.389.442**	**1.916.378**	**4.305.820**
1 January -31 December 2022			
Revenue	41.278.770	69.846.170	111.124.940
Cost of sales	(35.028.898)	(57.206.357)	(92.235.255)
Gross profit	**6.249.872**	**12.639.813**	**18.889.685**
Depreciation and amortization	**1.863.021**	**1.914.431**	**3.777.452**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 4 - SEGMENT REPORTING (Cont'd)

Purchase of Property, Plant, Equipment and Intangible Assets

	Consumer and mobility electronics	Household appliances	Total
1 January -31 December 2023	1.527.126	3.932.693	5.459.819
1 January -31 December 2022	1.743.983	5.123.320	6.867.303

Revenue by Geographic Location:

	1 January - 31 December 2023	1 January - 31 December 2022
Turkey	44.699.811	36.466.092
Europe	61.059.434	66.488.222
Other	15.187.478	15.393.463
Gross segment sales	**120.946.723**	**118.347.777**
Discounts (-)	(8.730.989)	(7.222.837)
Revenue	**112.215.734**	**111.124.940**

The amount of export for the period 1 January - 31 December 2023 is TL 76.246.912 (1 January - 31 December 2022: TL 81.881.685). Export sales are denominated in EUR, USD and other currencies as 67%, 22,4%, and 10,6% of total exports respectively. (1 January – 31 December 2022: 68,7% EUR, 25,3% USD, 6% other).

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 5 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash	14.455	5.188
Bank deposits		
- Demand deposits	*2.063.224*	*2.005.463*
- Time deposits	*91.298*	*353.846*
Cheques and notes	15.659	74.195
Other	110.025	119.225
	2.294.661	**2.557.917**
Blocked deposits	22	36
Cash and cash equivalents	**2.294.683**	**2.557.953**

The Group has has time deposits amounting to TL 75.250 thousand and RUB 48.500 (31 December 2022: USD 1.003 thousand, TL 96.696 thousand, EUR 4.200 thousand and RUB 60.000). As of 31 December 2023 and 31 December 2022 the Group's time deposits have an average maturity of less than 3 months.

Based on the independent data with respect to the credit risk assessment of the banks, at which the Group has deposits, the credit quality of the banks is sufficient. The market values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet date.

Effective interest rates

	31 December 2023	31 December 2022
EUR	-	%0,01
TL	%34,45	%18,00
USD	-	%0,04
RUB	%10,00	%4,50

See Note 30 for the foreign currency details of the Group's demand deposits.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 6 – FINANCIAL LIABILITIES

	31 December 2023	31 December 2022
Short term financial liabilities		
Short term bank loans	20.281.985	29.112.556
Short term portion of long term bank loans	2.824.663	2.301.781
Short term portion of long term lease liabilities	230.962	230.795
Short term issued bonds	3.549.970	1.877.100
	26.887.580	**33.522.232**
Long term financial liabilities		
Long term bank loans	1.867.476	1.143.322
Long term lease liabilities	664.765	654.687
	2.532.241	**1.798.009**

Details of the Group's short term bank loans are given below:

	31 December 2023			31 December 2022		
Currency	**Weighted average of effective interest**	**Original currency**	**TL Equivalent**	**Weighted average of effective interest**	**Original currency**	**TL Equivalent**
- USD	%10,48	317.322	9.358.238	%8,27	235.849	7.279.541
- EUR	%10,12	105.507	3.442.968	%8,75	64.505	2.122.631
- TL	%37,80	6.873.369	6.873.369	%16,75	19.407.973	19.407.973
- CNY	%7,96	145.484	607.410	%4,55	68.467	302.411
			20.281.985			**29.112.556**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

Details of the Group's long term bank loans are given below:

	31 December 2023			31 December 2022		
Currency	**Weighted average of effective interest rates per**	**Original currency**	**TL Equivalent**	**Weighted average of effective interest rates per**	**Original currency**	**TL Equivalent**
- USD	%11,03	28.587	843.068	%6,74	13.104	404.458
- EUR	%10,96	14.190	463.057	%5,37	20.097	661.321
- TL	%29,96	1.518.538	1.518.538	%14,82	1.236.002	1.236.002
Short term portion			**2.824.663**			**2.301.781**
- USD	%11,21	15.690	462.718	%8,18	36.142	1.115.533
- EUR	%10,96	6.135	200.201	-	-	-
- TL	%20,65	1.204.557	1.204.557	%15,00	27.787	27.789
Long term portion			**1.867.476**			**1.143.322**
			4.692.139			**3.445.103**

Total amount of Group's floating bank loans is amounting to TL 12.749.785 (31 December 2022: TL 17.138.427).

The maturity schedule of Group's long term bank loans is given below:

	31 December 2023	**31 December 2022**
One to two years	985.120	749.372
Two years and more	882.356	393.950
	1.867.476	**1.143.322**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

The analysis of Group's bank loans in terms of periods remaining to contractual re-pricing dates is as follows:

	31 December 2023	31 December 2022
3 months or less	5.240.984	6.162.759
Between 3-6 months	3.100.190	4.432.596
Between 6-12 months	4.408.611	5.230.576
1 year or more	-	1.312.495
	12.749.785	**17.138.426**

Guarantees given for the bank loans are presented in Note 17.

Fair values of short-term bank borrowings are considered to approximate their carrying values. Fair values are determined using average effective annual interest rates. Long term bank borrowings are stated at amortized cost using effective interest rate method and their fair values are considered to approximate their carrying values since loans usually have a re-pricing period of six months.

The Company has fulfilled its financial commitments arising from its borrowings as of 31 December 2023 and 2022.

As of 31 December 2023 and 31 December 2022, the Group's net financial debt reconciliation is shown below:

	31 December 2023	31 December 2022
Net financial debt as of 1 January	**32.762.324**	**27.142.986**
Cash inflows from loans and issued bonds	48.514.717	50.170.431
Cash outflows from loan and bonds payments	(42.896.802)	(35.357.441)
Changes of lease liabilities	10.245	272.128
Unrealized exchange gain/loss	3.493.729	2.730.721
Changed interest	677.367	1.296.517
Change in cash and cash equivalents	263.255	(3.096.746)
Monetary gain / (loss)	(15.699.676)	(10.396.272)
Net financial debt at the end of the period	**27.125.159**	**32.762.324**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 7 – RELATED PARTY DISCLOSURES

a) Short term trade receivables from related parties

	31 December 2023	31 December 2022
Korteks Mensucat Sanayi ve Ticaret A.Ş. (1)	15.240	14.484
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	385.373	165
Other related parties	55.929	52.656
	456.542	**67.305**

b) Short term trade payables to related parties

	31 December 2023	31 December 2022
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	17.496	18.746
Zorlu Holding A.Ş. (2)	40.366	22.722
Other related parties	54.666	31.137
	112.528	**72.605**

c) Other short term receivables from related parties

	31 December 2023	31 December 2022
Vestel Ventures A.Ş (3)	-	1.226.622
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	889.313	1.001.513
	889.313	**2.228.135**

As of 31 December 2023, the annual average effective interest rate of other receivables in TL and USD are 50% and 8%. (31 December 2022: USD 7%, TL 25%).

d) Other long term receivables from related parties

	31 December 2023	31 December 2022
Zorlu Holding A.Ş. (2)	11.331.567	10.647.491
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	10.059.268	9.349.907
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A. Ş. (4)	7.376.941	7.055.278
	28.767.776	**27.052.676**

Other long term receivables from related parties mainly consists of cash fund deposits transferred to group companies. As of 31 December 2023, the annual average effective interest rate of other receivables in TL 50% and in USD is 8%. (31 December 2022: USD 7%, TL 25%).

(1) Zorlu Holding Group Company, (2) Parent, (3) Subsidiary, (4) Associate

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)

e) Long-term prepaid expenses to related parties

	31 December 2023	31 December 2022
Zorlu Enerji Elektrik Üretim A.Ş. (1)	1.881.730	-
Other	100.381	-
	1.982.111	**-**

f) Transactions with related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Sales		
Zorlu Enerji Elektrik Üretim A.Ş. (1)	-	380.485
ZES Dijital Ticaret A.Ş. (1)	339.341	142.945
Rotor Elektrik Üretim A.Ş. (1)	-	120.383
Zorluteks Tekstil Sanayi ve Ticaret A.Ş. (1)	-	115
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	1.014.220	125.242
Other related parties	89.684	32.554
	1.443.245	**801.724**

	1 January - 31 December 2023	1 January - 31 December 2022
Operating expenses		
Zorlu Holding A.Ş. (2)	386.100	301.070
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	141.965	204.063
Zorlu Gayrimenkul Gel. ve Yat. A.Ş. (1)	-	34.777
Zorlu Air Havacılık A.Ş. (1)	-	19.376
Other related parties	152.288	130.703
	680.353	**689.989**

(1) Zorlu Holding Group Company, (2) Parent, (3) Subsidiary, (4) Associate

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)

g) Transactions with related parties (Cont'd)

	1 January - 31 December 2023	1 January - 31 December 2022
Other income from operating activities		
Other related parties	**617.841**	**22.401**
Other expense from operating activities		
Other related parties	**22.733**	**44.785**

	1 January - 31 December 2023	1 January - 31 December 2022
Financial income		
Zorlu Holding A.Ş. (2)	5.417.491	4.764.523
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	5.233.744	4.368.298
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A.Ş. (4)	3.655.496	2.395.368
Other related parties	646.152	433.536
	14.952.883	**11.961.725**

	1 January - 31 December 2023	1 January - 31 December 2022
Financial expense		
Other related parties	**6.620**	**992**
	6.620	**992**

(1) Zorlu Holding Group Company, (2) Parent, (3) Subsidiary, (4) Associate

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)

g) Transactions with related parties (Cont'd)

	1 January - 31 December 2023	1 January - 31 December 2022
Dividend payment to non-controlling interests	**114.351**	**243.384**

h) Guarantees received from and given to related parties are disclosed in note 17.

i) Compensation paid to key management including directors, the Chairman and members of Board of Directors, general managers and assistant general managers

Compensation paid to key management for the year ended 31 December 2023 is TL 230.840 (1 January - 31 December 2022: 133.301).

j) Financial income from related parties result from interest income from financial liabilities.

(1) Zorlu Holding Group Company, (2) Parent, (3) Subsidiary, (4) Associate

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	31 December 2023	31 December 2022
Short term trade receivables		
Trade receivables		
- Related parties (note 7)	*456.542*	*67.305*
- Other parties	*15.853.901*	*16.092.096*
Cheques and notes receivables	1.702.893	2.150.173
Other	81.101	192.986
	18.094.437	18.502.560
Unearned interest expense (-)		
- Other parties	*(142.210)*	*(165.790)*
Allowance for doubtful receivables (-)	(126.325)	(254.738)
Total short term trade receivables	**17.825.902**	**18.082.032**
Long term trade receivables		
Cheques and notes receivables	821	111
Total long term trade receivables	**821**	**111**

The Group has made a provision considering its past experience in collecting its trade receivables. Hence, the Group management made a provision assessment according to the expected credit losses model within the scope of IFRS 9 and as of 31 December 2023, no additional doubtful trade receivables risk was detected.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 8 – TRADE RECEIVABLES AND PAYABLES (Cont'd)

	31 December 2023	31 December 2022
Short term trade payables		
Trade payables		
- Related parties (note 7)	*112.528*	*72.605*
- Other parties	*41.941.635*	*35.583.975*
Other	5.790	8.115
	42.059.953	35.664.695
Unearned interest income (-)		
- Other parties	*(94.179)*	*(104.265)*
Total short term trade payables	**41.965.774**	**35.560.430**
Long term trade payables		
Trade payables		
- Other parties	*178.174*	*301.331*
Total long term trade payables	**178.174**	**301.331**

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

	31 December 2023	31 December 2022
Short term other receivables		
Receivables from public institutions	1.117.611	1.650.000
Receivables from related parties (note 7)	889.313	2.228.135
Deposits and guarantees given	228.618	272.073
Other	20.251	150.440
	2.255.793	**4.300.648**
Allowance for doubtful receivables (-)	(222)	(147.674)
	2.255.571	**4.152.974**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES (Cont'd)

	31 December 2023	31 December 2022
Long term other receivables		
Deposits and guarantees given	20.617	55.111
Receivables from related parties (note 7)	28.767.776	27.052.676
Other	21.369	13.868
	28.809.762	27.121.655
Allowance for doubtful receivables (-)	(8.278)	(13.640)
	28.801.484	**27.108.015**
Short term other payables		
Other payables		
- Other parties	*14.166*	*4.598*
	14.166	**4.598**
Deferred revenue		
- Other parties	1.069.151	2.064.309
	1.069.151	**2.064.309**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 10 – INVENTORIES

	31 December 2023	31 December 2022
Raw materials	12.009.261	10.790.482
Work in process	577.214	679.003
Finished goods	10.132.526	10.250.514
Merchandise	1.114.949	1.158.994
Other	30.671	61.712
	23.864.621	22.940.705
Provision for impairment on inventories (-)	(353.667)	(384.872)
	23.510.954	**22.555.833**

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance, 1 January	**384.872**	**320.742**
Current year additions	163.691	188.032
Realised due to sale of inventory	(113.004)	(90.780)
Currency translation differences	35.161	46.552
Monetary gain / (loss)	(117.053)	(79.674)
Balance at 31 December	**353.667**	**384.872**

Cost of the inventory included in the consolidated statement of comprehensive income in the period 1 January – 31 December 2023 is TL 74.983.497 (2022: TL 81.069.122).

As of 31 December 2023, the Group does not have inventories pledged as security for liabilities (31 December 2022: None).

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 11 – PREPAID EXPENSES

	31 December 2023	31 December 2022
Prepaid expenses in current assets		
Order advances given	1.217.328	627.280
Prepaid expenses	297.905	353.502
Business advances given	8.681	7.889
	1.523.914	**988.671**
Prepaid expenses in non-current assets		
Advances given for fixed asset purchases	298.386	853.143
Prepaid expenses	60.427	21.687
	358.813	**874.830**

NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 December 2023		31 December 2022	
	%	**Amount**	**%**	**Amount**
Investment in associates				
Meta Nikel Kobalt Madencilik San. ve Tic. A.Ş.	%50	-	%50	1.347.022
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	%23	5.857.271	%23	3.776.294
		5.857.271		**5.123.316**

Pursuant to the Group’s goal to diversify its lines of business and achieve profitable growth by investing in new-generation technologies, the Group has purchased Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A.Ş. (“META”) in 2018, which is a Zorlu Holding A.Ş. subsidiary and is involved in nickel-cobalt mining,

Within the framework of Turkey’s Automobile Project, following the work undertaken by the Joint Initiative Group, to which Group’s controlling shareholder, Zorlu Holding AŞ was a party, Vestel Elektronik Sanayi ve Ticaret AŞ decided to participated with 19% share in “Türkiye’nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.”, which was planned to be established to produce mainly electric passenger cars and carry out supporting activities. In this respect, the Shareholders Agreement and Articles of Association have been signed on 31 May 2018. Establishment of the new Group was completed on 28 June 2018.

Within the scope of the decision taken at the Annual General Meeting of TOGG which was held on 31 May 2021, the Group's stake in TOGG has reached to 23%.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

The movements of META, which is an investment accounted for using the equity method during the period 1 January – 31 December 2023 and 2022 is as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Balance at 1 January	**1.347.022**	**2.003.747**
Shares from profit / (loss)	(911.206)	71.383
Shares from other comprehensive income / (expense)	(185.417)	55.848
Currency translation differences	(250.399)	(783.956)
	-	**1.347.022**

The movements of TOGG, which is an investment accounted for using the equity method during the period 1 January – 31 December 2023 and 2022 is as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Balance at 1 January	**3.776.294**	**2.214.904**
Shares from profit / (loss)	1.542.790	506.154
Shares from other comprehensive income / (expense)	(23.547)	(1.263)
Capital Increase	561.734	1.056.499
	5.857.271	**3.776.294**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	Fair value increase	31 December 2023
Cost or revaluation							
Land	5.263.712	-	-	67.839	-	8.368.816	13.700.367
Land improvements	458.233	2.406	-	(30.672)	888	807	431.662
Buildings	8.491.059	157.071	(44)	(324.443)	1.536.733	167.323	10.027.699
Leasehold improvements	1.284.914	95.160	(390)	(835)	6.385	-	1.385.234
Plant and machinery	31.255.594	1.610.566	(1.002.284)	(149.093)	1.695.165	-	33.409.948
Motor vehicles	58.923	5.737	(1.729)	(626)	1.979	-	64.284
Furniture and fixtures	5.455.403	256.314	(19.594)	(7.479)	63.082	-	5.747.726
Other tangible assets	13.829	-	-	-	-	-	13.829
Construction in progress (*)	3.299.938	1.784.584	-	-	(3.308.962)	-	1.775.560
	55.581.605	**3.911.838**	**(1.024.041)**	**(445.309)**	**(4.730)**	**8.536.946**	**66.556.309**
Accumulated depreciation							
Land improvements	30.561	20.855	-	(3.044)	-	(15.724)	32.648
Buildings	425.490	395.262	(5)	(107.920)	-	(320.910)	391.917
Leasehold improvements	1.082.147	54.658	(110)	(700)	-	-	1.135.995
Plant and machinery	24.029.516	2.280.259	(995.338)	(159.383)	-	-	25.155.054
Motor vehicles	49.266	4.189	(1.729)	(603)	-	-	51.123
Furniture and fixtures	4.891.204	269.129	(18.426)	(7.575)	-	-	5.134.332
Other tangible assets	13.829	-	-	-	-	-	13.829
	30.522.013	**3.024.352**	**(1.015.608)**	**(279.225)**	**-**	**(336.634)**	**31.914.898**
Net book value	**25.059.592**	**-**	**-**	**-**	**-**	**-**	**34.641.411**

*Substantial part of construction in progress consists of new dish washer factory investment. There is no finance cost capitalized on construction in progress.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	1 January 2022	Additions	Disposals	Currency translation differences	Transfers	Fair value increase	31 December 2022
Cost or revaluation							
Land	4.668.250	-	-	(580.016)	-	1.175.478	5.263.712
Land improvements	596.880	693	-	(30.378)	536	(109.498)	458.233
Buildings	10.150.258	39.271	(6.810)	(813.149)	55.344	(933.855)	8.491.059
Leasehold improvements	1.247.562	121.297	(78.285)	(5.660)	-	-	1.284.914
Plant and machinery	29.253.998	1.645.637	(280.266)	(71.366)	707.591	-	31.255.594
Motor vehicles	55.666	5.088	(1.406)	(425)	-	-	58.923
Furniture and fixtures	5.068.235	391.763	(15.612)	(23.116)	34.133	-	5.455.403
Other tangible assets	13.829	-	-	-	-	-	13.829
Construction in progress	255.237	3.859.850	(17.451)	-	(797.698)	-	3.299.938
	51.309.915	**6.063.599**	**(399.830)**	**(1.524.110)**	**(94)**	**132.125**	**55.581.605**
Accumulated depreciation							
Land improvements	26.571	32.867	-	(6.249)	-	(22.628)	30.561
Buildings	352.504	385.746	(10)	(78.230)	-	(234.520)	425.490
Leasehold improvements	1.107.722	61.876	(76.525)	(10.926)	-	-	1.082.147
Plant and machinery	22.324.630	1.939.490	(272.996)	38.392	-	-	24.029.516
Motor vehicles	46.899	4.135	(1.387)	(381)	-	-	49.266
Furniture and fixtures	4.658.760	251.050	(15.286)	(3.320)	-	-	4.891.204
Other tangible assets	13.828	1	-	-	-	-	13.829
	28.530.914	**2.675.165**	**(366.204)**	**(60.714)**	**-**	**(257.148)**	**30.522.013**
Net book value	**22.779.001**	**-**	**-**	**-**	**-**	**-**	**25.059.592**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Cost and accumulated depreciation of land, land improvements and buildings before revaluation are as follows:

31 December 2023	**Land**	**Land improvements and buildings**
Cost	918.017	5.970.197
Accumulated depreciation (-)	-	(1.653.137)
Net book value	**918.017**	**4.317.060**

31 December 2022	**Land**	**Land improvements and buildings**
Cost	918.017	4.821.493
Accumulated depreciation (-)	-	(1.583.808)
Net book value	**918.017**	**3.237.685**

As of 31 December 2023, the Group has collateral on property, plant and equipment amounting to TL 3.000.000 (2022: None).

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Allocation of current year depreciation and amortization expenses is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of sales	2.698.603	2.470.383
Research and development expenses	1.087.303	810.877
Marketing, selling and distribution expenses	356.556	260.611
General administrative expenses	156.609	212.964
Other operating expense (idle capacity depreciation expense)	6.749	22.617
	4.305.820	**3.777.452**

31 December 2023	**Level 1**	**Level 2**	**Level 3**
Tangible Assets			
Lands	-	13.700.367	-
Buildings and land improvements	-	10.459.361	-

31 December 2022	**Level 1**	**Level 2**	**Level 3**
Tangible Assets			
Lands	-	5.263.712	-
Buildings and land improvements	-	8.949.292	-

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 14 – RIGHT OF USE ASSETS

	1 January 2023	Additions	Disposals	31 December 2023
Cost				
Land and buildings	1.827.017	562.794	(21.164)	2.368.647
Motor vehicles	435.183	34.428	-	469.611
	2.262.200	**597.222**	**(21.164)**	**2.838.258**
Accumulated amortization				
Land and buildings	933.943	304.076	(21.165)	1.216.854
Motor vehicles	338.928	51.392	-	390.320
	1.272.871	**355.468**	**(21.165)**	**1.607.174**
Net book value	**989.329**			**1.231.084**

	1 January 2022	Additions	Disposals	31 December 2022
Cost				
Land and buildings	1.079.653	747.364	-	1.827.017
Motor vehicles	413.924	24.691	(3.432)	435.183
	1.493.577	**772.055**	**(3.432)**	**2.262.200**
Accumulated amortization				
Land and buildings	571.838	362.105	-	933.943
Motor vehicles	248.934	92.825	(2.831)	338.928
	820.772	**454.930**	**(2.831)**	**1.272.871**
	672.805			**989.329**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 15 – INTANGIBLE ASSETS

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	31 December 2023
Cost						
Rights	600.277	1.088	-	(994)	-	600.371
Development cost	10.534.702	1.412.488	-	-	-	11.947.190
Other intangible assets	1.723.550	134.405	(1.403)	(6.816)	4.730	1.854.466
	12.858.529	**1.547.981**	**(1.403)**	**(7.810)**	**4.730**	**14.402.027**
Accumulated amortization						
Rights	481.110	24.067	-	(886)	-	504.291
Development cost	7.784.831	836.361	-	-	-	8.621.192
Other intangible assets	1.304.543	65.572	-	(7.361)	-	1.362.754
	9.570.484	**926.000**	**-**	**(8.247)**	**-**	**10.488.237**
Net book value	**3.288.045**					**3.913.790**

	1 January 2022	Additions	Disposals	Currency translation differences	Transfers	31 December 2022
Cost						
Rights	606.498	574	-	(6.795)	-	600.277
Development cost	9.818.601	688.220	-	27.881	-	10.534.702
Other intangible assets	1.599.054	114.910	(63)	9.555	94	1.723.550
	12.024.153	**803.704**	**(63)**	**30.641**	**94**	**12.858.529**
Accumulated amortization						
Rights	463.409	24.002	-	(6.301)	-	481.110
Development cost	7.216.167	568.664	-	-	-	7.784.831
Other intangible assets	1.265.453	54.691	(63)	(15.538)	-	1.304.543
	8.945.029	**647.357**	**(63)**	**(21.839)**	**-**	**9.570.484**
Net book value	**3.079.124**					**3.288.045**

Development costs, incurred by the Group on development projects relating to television and electronic devices, refrigerators, split air conditioners, washing machines, cookers, drying machines and dish washers are capitalized as intangible assets when it is probable that costs will be recovered through future commercial activity and only if the cost can be measured reliably.

NOTE 16 – GOVERNMENT GRANTS

There are investment incentive certificates to which the Group has been entitled by the official authorities in connection with certain capital expenditures. The grants obtained by the Group in nature are as follows:

i) Exemption from customs duty on machinery and equipment to be imported,
ii) VAT exemption with respect to purchases of investment goods both from domestic and export markets,
iii) Incentives under the jurisdiction of the research and development law,(Note 27)
iv) Inward processing permission certificates,
v) Cash refund from Tübitak - Teydeb for research and development expenses,
vi) Discounted corporate tax incentive,
vii) Insurance premium employer share incentive
viii) Brand support incentive (Turquality) given by Republic of Turkey Ministry of Economy.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	31 December 2023	31 December 2022
Short term provisions		
Warranty and assembly provision	1.190.272	1.120.480
Other provisions	1.705.382	1.350.281
Provision for lawsuit risks	76.502	99.703
	2.972.156	**2.570.464**
Long term provisions		
Warranty and assembly provision	349.160	249.928
	349.160	**249.928**

As of 31 December 2023, the amount of provision provided for the cases for which the probability of losing the case is assessed to be high by the Group management and legal advisors is TL 76.502 (2022: TL 99.703).

As of 31 December 2023 and 2022 movements of warranty and assembly provisions are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Opening balance, 1 January	**1.370.408**	**1.544.099**
Current year additions	3.101.504	1.965.400
Provisions no longer required	(2.206.920)	(1.458.407)
Monetary gain / (loss)	(725.560)	(680.684)
Balance at 31 December	**1.539.432**	**1.370.408**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

b) Guarantees received by the Group

Guarantee letters, collaterals, cheques and notes received

	31 December 2023	31 December 2022
Guarantee letters	3.651.597	3.622.978
Cheques and notes	2.066.302	3.433.116
Collaterals and pledges	4.491.421	4.326.868
	10.209.320	**11.382.962**

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees received by the Group. The amount of guarantees received by the Group, including the total collaterals amount, is k202.526.651 TL.

Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. and Vestel Ticaret A.Ş. has given collaterals to various banks on behalf of the Company for its forward contracts and loans utilized.

c) Collaterals, pledges and mortgages ("CPMB's") given by the Group

CPMB's given by the Group	USD ('000)	EUR ('000)	GBP ('000)	TL	TL Equivalent
31 December 2023					
A. CPMB's given on behalf of its own legal entity	509	2.135	-	3.019.407	3.104.089
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.182.426	148.778	60.346	14.141.412	85.630.248
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPMB's given	36.565	-	-	20.100	1.098.448
i. Total amount of CPMB's given on behalf of the parent company	-	-	-	-	-
ii. Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C.	36.565	-	-	20.100	1.098.448
iii.Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-
Total	**2.219.500**	**150.913**	**60.346**	**17.180.919**	**89.832.785**

(*) Fully consolidated subsidiaries have given collaterals to various financial institutions on behalf of each other for their forward contracts and for the total amount of loans utilized.

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees given by the Company. The total guarantee amount, as well as the guarantees, pledges, mortgages and guarantees given by the Company, are 6.253.522 thousand USD, 476.481 thousand Euro, 60.450 thousands GBP and 24.463.721 TL, equivalent to a total of 226.712.186 TL.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

c) Collaterals, pledges and mortgages ("CPMB's") given by the Group (Cont'd)

CPMB's given by the Group	USD ('000)	EUR ('000)	GBP ('000)	TL	TL Equivalent
31 December 2022					
A. CPMB's given on behalf of its own legal entity	3.625	4.227	-	39.671	290.654
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.226.653	83.116	450	6.921.021	78.399.068
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPMB's given	34.991	-	-	31.938	1.111.944
i. Total amount of CPMB's given on behalf of the parent company	-	-	-	-	-
ii. Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C.	34.991	-	-	31.938	1.111.944
iii.Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-
Total	**2.265.269**	**87.343**	**450**	**6.992.630**	**79.801.666**

As of 31 December 2023, proportion of other CPM's given by the Group to its equity is 3% (31 December 2022: 4%).

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 18 – COMMITMENTS

As of the balance sheet date the Group has committed to realize exports amounting to 3.121.967 thousand USD (31 December 2022: 5.331.164 thousand USD) due to the export and investment incentive certificates obtained.

As of 31 December 2023, the Group has forward foreign currency purchase contract that amounts to USD 1.068.802 thousand, EUR 227.544 thousand, GBP 135.899 thousand, PLN 21.625 thousand and CNY 156.580 thousand against forward foreign currency sales contract that amounts to USD 419.731 thousand, EUR 704.294 thousand, GBP 142.433 thousand, PLN 60.525 thousand, RUB 987.000 and TL 4.029.267. (31 December 2022: USD 813.078 thousand, EUR 173.310 thousand, GBP 79.849 thousand, PLN 23.186 thousand, CNY 66.896 thousand, TL 5.563.115 thousand against forward foreign currency sales contract that amounts to USD 559.982 thousand, EUR 540.395 thousand, GBP 84.901 thousand, PLN 87.098 thousand, TL 3.178.893 thousand against forward foreign currency sales contract).

NOTE 19 – EMPLOYEE BENEFITS

Liabilities for employee benefits:

	31 December 2023	31 December 2022
Due to personnel	511.160	451.240
Social security payables	401.293	296.778
	912.453	**748.018**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 19 – EMPLOYEE BENEFITS (Cont'd)

Long-Term provisions for employee benefits:

	31 December 2023	31 December 2022
Provision for employment termination benefits	**1.580.853**	**2.043.194**

Under Turkish law, the Group is required to pay employment termination benefits to each employee whose employment is terminated without due cause. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 6 March 1981, No.2422 and 25 August 1999, No.4447, the Group is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The amount payable is the equivalent of one month's salary for each year of service and is limited to a maximum of 23.489,83 TL/year as of 31 December 2023 (31 December 2022: 15.371,40 TL/year).

Provision for employment termination benefits is not subject to any funding.

The provision is calculated by estimating the present value of the future obligation of the Group arising from retirement of employees. IAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined employee plans. Accordingly actuarial assumptions were used in the calculation of the total liability which are described below:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. Consequently, in the accompanying financial statements as of 31 December 2023, the provision is calculated by estimating the present value of the future obligation of the Group arising from retirement of employees. As of 31 December 2023 provision is calculated based on real discount rate of 49,25%, assuming 23,60% annual inflation rate and 3,72% discount rate (31 December 2022: 7,02% real discount rate, 9,16% inflation rate and 2% discount rate).

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 19 – EMPLOYEE BENEFITS (Cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 35.058,58 which is effective from 1 January 2024 (1 January 2023: TL 19.982,83) has been taken into consideration in calculating the provision for employment termination benefits of the Group which is calculated once in every six months.

The movement in the provision for employment termination benefit is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Balance at 1 January	**2.043.194**	**1.048.101**
Increase during the year	335.515	108.541
Payments during the year	(586.887)	(104.889)
Actuarial (gain) /loss	442.684	1.154.187
Interest expense	179.607	150.434
Monetary gain / (loss)	(833.260)	(313.180)
Balance at 31 December	**1.580.853**	**2.043.194**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 20 – OTHER ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Other current assets		
VAT carried forward	47.752	36.019
Rebates from suppliers and incentives income accruals	140.349	69.949
Other	269.348	153.992
	457.449	**259.960**

	31 December 2023	31 December 2022
Other current liabilities		
Taxes payables	1.238.471	984.532
Other	1.172.089	1.022.395
	2.410.560	**2.006.927**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 21 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid in capital

	31 December 2023	31 December 2022
Shares of par value Kr 1 each		
limit on registered share capital	2.000.000	2.000.000
Issued share capital	335.456	335.456

As of 31 December 2023 and 31 December 2022 the shareholding structures are as follows:

	Shareholding		Amount	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Zorlu Holding A.Ş.	%55,69	%60,95	186.815	204.460
Other shareholders	%44,31	%39,05	148.641	130.996
	%100	**%100**	**335.456**	**335.456**

b) Adjustment to share capital

Adjustment to share capital (restated to 31 December 2023 purchasing power of money) is the difference between restated share capital and historical share capital.

c) Share premium

Share premium account refers the difference between par value of the Company's shares and the amount the company received for newly issued shares. The share premium account is disclosed under equity as a separate line item and may not be distributed. It may be used in capital increase.

d) Restricted Reserves Appropriated from Profits

The legal reserves consist of first and second legal reserves appropriated in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. Under TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 21 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

d) Restricted Reserves Appropriated from Profits (Cont'd)d

	31 December 2023	31 December 2022
Legal reserves	**1.253.194**	**1.253.194**

The differences arising as a result of converting the following inflation-adjusted amounts in the company's legal records into CPI-adjusted amounts within the scope of TAS 29 are accounted under the retained earnings item.

	PPI-Indexed Legal Records	CPI Indexed Amounts	Differences Tracked in Past Years Profits/Losses
Capital Adjustment Gains/Losses	24.195.389	15.514.508	8.680.881
Appropriated Retained Earnings	1.900.221	1.253.194	647.027

e) Revaluation reserves

Fair value gains on financial assets	60.832	82.430
Revaluation of property, plant and equipmen	9.041.079	2.756.931
	9.101.911	**2.839.361**

f) Dividend distribution

For quoted companies dividends are distributed in accordance with the Communiqué Serial II -19.1 on "Principals Regarding Distribution of Interim Dividends" issued by the CMB effective from 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not state a minimum dividend rate. Companies distribute dividends in accordance with the method defined in their dividend policy or articles of association. Additionally, dividend can be distributed in fixed or variable installments and dividend advances can be paid over the profit on interim financial statements.

Unless the general reserves that has to be appropriated in accordance with TCC or the dividend to shareholders as determined in the articles of association or dividend policy are set aside; no decision can be taken to set aside other reserves, to transfer reserves to the subsequent year or to distribute dividends to holders of usufruct right certificates, to board of directors members or to employees; and no dividend can be distributed to those unless the determined dividend to shareholders is paid in cash.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 21 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

f) Dividend distribution (Cont'd)

On the other hand, in accordance with the Articles of Association of the Company, the net period income is allocated after deducting the accumulated losses from the previous years, if any, as follows:

a) As per Article 519 of the Turkish Commercial Code, 5% is allocated to a general legal reserve.

b) A dividend is allocated from the remaining amount, at the rate determined by the General Assembly over an amount to be found after the addition of a donation, which is made in line with the Turkish Commercial Code and Capital Market Legislation.

c) After the deductions above, the General Assembly has the right to decide how to allocate the dividend to members of the board of directors and officers, employees and workers, foundations established with various purposes, and similar persons and corporations.

d) After the amounts stated in paragraph (a), (b) and (c) are deducted from the net period profit, the General Assembly is authorized to allocate the remaining amount as a second dividend or to allocate the remaining amount to its own reserve as per Article 521 of the Turkish Commercial Code.

e) One tenth of the amount obtained after a dividend of 5% of the paid in capital and other legal reserve are deducted from the amount that is agreed to be allocated to the shareholders and other persons participating to the profit is added to the general legal reserve as per paragraph (c) of the second clause of article 519 of the Turkish Commercial Code.

In accordance with the provisions of the Turkish Commercial Code and Tax Procedure Law, Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. decided to distribute dividends as of 31 December 2023, amounted to TL 114.351 except Vestel Elektronik Sanayi ve Ticaret A.Ş.

The details of the "Retained Years Profits or Losses" item in the Company's balance sheet prepared in accordance with TFRS within the scope of the first transition to TMS 29 inflation accounting are as follows:

	January 1, 2022 Amount before inflation accounting	**January 1, 2022 Amount after inflation accounting**	**31 December 2022 Amount before inflation accounting (excluding 2022 net profit/loss)**	**31 December 2022 Amount after inflation accounting**
Prior Years Profits/Loss	3.027.783	6.903.949	3.347.431	7.645.059

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 22 – SALES

	1 January - 31 December 2023	1 January - 31 December 2022
Domestic sales	44.699.811	36.466.092
Export sales	76.246.912	81.881.685
Gross sales	**120.946.723**	**118.347.777**
Sales discounts (-)	(8.730.989)	(7.222.837)
Net sales	**112.215.734**	**111.124.940**
Cost of sales	(87.243.106)	(92.235.255)
Gross profit	**24.972.628**	**18.889.685**

NOTE 23 – EXPENSES BY NATURE

	1 January - 31 December 2023	1 January - 31 December 2022
Raw materials, supplies and finished goods	74.983.497	81.069.122
Personnel expenses	11.017.297	8.741.387
Depreciation and amortization	4.299.071	3.754.835
Export, transportation, warehouse expenses	5.032.317	6.168.763
Warranty and assembly expenses	3.101.504	1.965.400
Advertising expenses	996.253	1.015.769
Other	6.685.362	6.633.436
	106.115.301	**109.348.712**

Fees for Services Received from Independent Auditor/Independent Audit Firm

The Company's explanation of the fees for the services received from the independent audit firm is as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Independent Audit Fees	21.023	25.682
	21.023	**25.682**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 24 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

a) General administrative expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	1.131.162	854.943
Depreciation and amortization	156.609	212.964
Consultancy expenses	304.062	321.061
Information technology expenses	296.365	236.747
Rent and office expenses	141.248	131.101
Tax and duties	57.821	153.108
Insurance expenses	56.258	74.632
Travelling expenses	37.603	33.153
Benefits and services provided externally	20.709	7.831
Other	636.978	395.699
	2.838.815	**2.421.239**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 24 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Cont'd)

b) Marketing expenses:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Export, transportation, warehouse expenses	4.787.073	5.901.806
Warranty and assembly expenses	3.101.504	1.965.400
Personnel expenses	2.913.524	2.307.766
Advertising expenses	992.953	1.012.439
Depreciation and amortization	356.556	260.611
Other	1.942.724	1.557.670
	14.094.334	**13.005.692**

c) Research and development expenses:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Depreciation and amortization	1.087.303	810.877
Personnel expenses	463.991	412.568
Other	387.752	463.081
	1.939.046	**1.686.526**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 25 – OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

a) Other income from operating activities:

	1 January - 31 December 2023	1 January - 31 December 2022
Overdue interest charges	498.986	246.756
Foreign exchange gains arising from trading activities	1.290.875	4.806.318
Reversal of provisions	40.862	51.711
Other income	273.988	722.165
	2.104.711	**5.826.950**

b) Other expense from operating activities:

	1 January - 31 December 2023	1 January - 31 December 2022
Interest expense on term purchases	1.175.599	1.392.474
Foreign exchange expenses arising from trading activities	13.785.304	13.455.074
Provision expenses	27.645	20.548
Other expenses	911.884	603.187
	15.900.432	**15.471.283**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 26 – FINANCIAL INCOME AND FINANCIAL EXPENSE

a) Financial income:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	12.214.951	11.408.004
Gains on derivative financial instruments	2.977.176	5.846.712
Interest income	3.239.009	2.807.965
	18.431.136	**20.062.681**

b) Financial expense:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange losses	6.948.443	8.207.260
Losses on derivative financial instruments	4.678.507	6.100.758
Interest expense	5.578.036	4.317.466
Commission and other finance expenses	1.135.186	762.610
	18.340.172	**19.388.094**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 27 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 December 2023	31 December 2022
Corporation and income taxes	224.451	27.972
Prepaid taxes (-)	(222.661)	(84.360)
Current income tax liabilities - net	**1.790**	**(56.388)**
Deferred tax liabilities	(1.272.751)	(16.320)
Deferred tax assets	-	-
Deferred tax liabilities - net	**(1.272.751)**	**(16.320)**

Pursuant to paragraph 1 of Article 6 of the Corporate Tax Law No. 5520, corporate tax is calculated on the net corporate income of the taxpayers for an accounting period.

Pursuant to paragraph 2 of the same article, by taking into account the provisions of Income Tax Law No. 193 on commercial income, pure corporate income is calculated by adding legally unacceptable expenses to the commercial income and deducting the exempt earnings and discounts from the commercial income.
With the amendment made to Article 32 of the Corporate Tax Law No. 5520 with Article 21 of the Law No. 7456, corporate taxpayers other than banks, companies within the scope of the Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies are subject to corporate tax at the rate of 25% on their net corporate earnings in 2023 and the following taxation periods.

The above-mentioned amendment regarding the corporate tax rate will take effect starting from the declarations to be submitted on October 1, 2023. For the declarations submitted before this date, the corporate tax rate is 20%.

In addition to the corporate tax levied on corporate income, withholding income/corporate tax burden may arise if all or part of the profits of corporations are subject to profit distribution. By full taxpayer corporations;

Furthermore, consolidated financial statements consist of the deferred tax effect of the temporary differences accounted by the adjustments made regarding inflation accounting together with the notification of the Corporate Tax Law dated 30 December 2023 and numbered 32415.

NOTE 27 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

•Full taxpayer real persons,
• For non-income and corporate taxpayers,
• For those exempt from income tax,
• Limited taxpayer real persons,
• Limited taxpayers exempt from income tax,
• Institutions exempt from corporate tax,
• To limited taxpayers corporations or limited taxpayers exempt from corporate tax, except for those who obtain dividends through a place of business or permanent representative in Turkey.

In case of dividend distribution, 10% with holding income/corporate tax is payable. According to the Turkish tax legislation, capitalization of profit is not considered as dividend distribution.
Corporations are required to calculate advance tax on their quarterly earnings for the first 9 months of their accounting periods in accordance with the principles set out in the Income Tax Law No. 193 and at the corporate tax rate and declare it until the 17th day of the second month following that period and pay it until the evening of the 17th day.

Advance tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year.
Corporations are exempt from corporate tax on 75% of the gains arising from the sale of participation shares included in their assets for at least two full years and 25% of the gains arising from the sale of immovables included in their assets on July 15, 2023 for the same period.

As of July 15, 2023, corporate tax exemption is not applied to the gains arising from the sale of immovables taken into assets. Except for the ones already sold in that date.

Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be offset against retained earnings.
In Turkey, there is no such practice as reconciliation with the tax authority on taxes payable. Corporate tax returns are required to be filed with the tax office by the 30th of the fourth month following the close of the accounting period and corporate tax is payable within the same period.
However, tax authorities may examine the accounting records within five years and the amount of tax payable may change if incorrect transactions are detected.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 27 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Earnings from the Company's investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences, tax losses and tax

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences, tax losses and tax advantages arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

The tax results of Company's subsidiaries in other countries are not material to consolidated financial statements.

As of 1 January - 31 December 2023 and 2022 tax benefit in the consolidated statement of income is as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Current period tax expense	(322.063)	(38.618)
Deferred tax income / (loss)	(361.806)	(110.017)
Total tax expense	**(683.869)**	**(148.635)**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 27 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Reconciliation between the current period tax expense and deferred tax benefit as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Profit before tax	**3.015.028**	**340.121**
Local tax rate	%25	%23
Tax income calculated using local tax rate	(753.757)	(78.228)
Non-deductible expenses	(342.936)	(222.121)
Loss from equity accounted investment	(60.097)	(31.807)
Adjustments with no tax effects	(871.359)	(614.453)
Deduction and exemptions	898.323	401.816
Tax incentives	1.611.858	1.199.169
Deferred tax effect of change in legal tax rate	214.819	(118.365)
Other	131.692	357.220
Monetary gain / loss	(1.512.412)	(1.041.866)
Total tax benefit	**(683.869)**	**(148.635)**

Due to modernization, plant extension and investments incentive documents in Manisa Organized Industrial Zone, the Group is subject to reduced rate due to incentives.

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Communiqué II, No. 14.1 and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for the Communiqué and tax purposes.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 27 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided using principal tax rate as of the balance sheet dates is as follows:

	Cumulative temporary		Deferred tax	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Deferred tax assets / (liabilities)				
Employment termination benefits	(1.580.853)	(2.043.194)	395.213	408.639
Investment incentive	-	-	741.782	878.182
Warranty provision	(1.539.432)	(1.370.408)	384.858	274.082
Provision for doubtful receivables	(126.325)	(254.738)	31.581	50.947
Net difference between book values and tax bases of property, plant and equipment and intangible asset	17.980.467	10.849.839	(3.416.841)	(1.830.019)
Net difference between book values and tax bases of inventories	1.792.476	1.349.022	(448.119)	(269.804)
Provision for derivative instruments	(439.254)	(804.661)	109.814	160.932
R&D incentives	-	-	873.770	487.074
Other	(220.764)	(757.699)	55.191	(176.353)
Deferred tax assets / (liabilities) - net			**(1.272.751)**	**(16.320)**

	31 December 2023	**31 December 2022**
Subsidiaries with net deferred tax liabilities	(1.272.751)	(16.320)
Subsidiaries with net deferred tax assets	-	-

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 27 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

The Group's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or fully until the investment contribution amount is reached.

Furthermore, financial statements consist of the deferred tax effect of the temporary differences accounted by the adjustments made regarding inflation accounting together with the notification of the Corporate Tax Law dated 30 December 2023 and numbered 32415.

As of December 31, 2023, the tax advantage amounting to TL 741.782 that the Group will benefit from in the foreseeable future is reflected in the financial statements as deferred tax asset. In line with the precautionary principle of accounting and in line with the budget made by the Group, the tax advantage arising from the investment incentives that the Group expects to benefit from in the coming year has been recognized as deferred tax asset in the financial statements.

However, the tax advantage amounting to TL 3.557.930 that the Group is entitled to use has not been recognized in deferred tax assets in accordance with the precautionary principle of accounting.
Total tax advantage arising from investment incentive certificate used in the current period is TL 708.501.
The Group assesses the recoverability of deferred tax assets related to investment incentives based on business models that include estimates of taxable profit. These business models include forward-looking management estimates such as sales volumes, selling prices and exchange rate expectations. As a result of the sensitivity analyses on the forward-looking use of investment incentives, it has been concluded that a 10% increase/decrease in the related estimates has no impact on the recoverability of the related deferred tax assets.

The movement of net deferred tax assets and liabilities is as follows:

	1 January - 31 December 2023	**1 January - 31 December 2022**
Opening balance, 1 January	**(16.320)**	**(117.099)**
Tax expense recognized in income statement	(361.806)	(110.017)
Recognized inother comprehensive income	(1.161.062)	(139.678)
Currency translation differences	266.437	350.474
Deferred tax (liabilities) / assets at the end of the period, net	**(1.272.751)**	**(16.320)**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 28 – EARNINGS PER SHARE

	1 January - 31 December 2023	**1 January - 31 December 2022**
Net income / (loss) attributable to equity holders of the parent	1.449.625	(111.335)
Weighted number of ordinary shares with a Kr 1 of par value (hundred shares)	33.545.600	33.545.600
Earnings per share	**0,0432**	**(0,0033)**

NOTE 29 – DERIVATIVE INSTRUMENTS

	31 December 2023		**31 December 2022**	
		Fair Value		**Fair Value**
	Contract amount	**Assets / (Liabilities)**	**Contract amount**	**Assets / (Liabilities)**
Derivative financial instruments:				
Held for trading				
Forward foreign currency transactions	9.146.679	139.337	7.121.955	161.131
Foreign currency swap contracts				
Cash flow hedge				
Forward foreign currency transactions	7.701.144	47.769	4.900.810	15.545
Derivative financial liabilities:				
Held for trading				
Forward foreign currency transactions	10.275.821	(161.248)	6.512.363	(357.503)
Cross foreign currency swap transactions				
Cash flow hedge				
Forward foreign currency transactions	17.648.139	(465.112)	15.913.965	(623.834)
	44.771.783	**(439.254)**	**34.449.093**	**(804.661)**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Capital risk management:

The Group manages its capital to ensure that it will maintain its status as a going concern while maximizing the return to stakeholders through optimization of the debt and equity balance.

The management considers the Group's cost of capital and the risks associated with each class of capital. The management aims to balance its overall capital structure through the payment of dividends, share issues and proceeds from or repayments of debt.

As of 31 December 2023 and 31 December 2022 the Group's net debt / total equity ratios are as follows:

	31 December 2023	31 December 2022
Total financial liabilities (Note 6)	29.419.821	35.320.241
Cash and cash equivalents (Note 5)	(2.294.661)	(2.557.917)
Net debt	**27.125.160**	**32.762.324**
Total shareholders equity	40.860.209	30.227.224
Total capital invested	**67.985.369**	**62.989.548**
Net debt/capital invested	**40%**	**52%**

b) Financial risk factors:

The Group's activities expose it to a variety of financial risks including the foreign currency exchange rates risk, credit risk and liquidity risk. The Group's overall risk management programme on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments in order to protect itself from various financial risks.

b.1) Credit risk:

The Group is exposed to credit risk arising from receivables from credit finance sales and deposits with banks. Credit risk of receivables from third parties is managed by securing receivables with highest possible coverage. Methods used are:

- Bank guarantees (guarantee letters, etc.)
- Credit insurance
- Mortgages
- Cheque-notes

For customers receivables from which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors and individual risk limits are determined and monitored regularly.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Receivables					
	Trade receivables		Other receivables			
31 December 2023	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**	**Other**
Maximum exposed credit risk as of 31 December 2023 (A+B+C+D)	**456.542**	**17.370.181**	**29.657.089**	**1.399.966**	**2.154.522**	**140.161**
- Secured portion of the maximum credit risk by guarantees, etc.	-	(11.743.341)	-	-	-	-
A.Net book value of financial assets either are not due or not impaired	456.542	8.369.692	29.657.089	1.399.966	2.154.522	140.161
- Secured portion by guarantees etc.	-	(7.503.719)	-	-	-	-
B. Financial assets with renegotiated conditions	-	-	-	-	-	-
C.Net book value of the overdue but not impaired financial assets	-	9.000.489	-	-	-	-
- Secured portion by guarantees etc.	-	(4.239.622)	-	-	-	-
D.Net book value of the impaired financial assets	-	-	-	-	-	-
-Over due (gross book value)	-	(126.325)	-	8.500	-	-
-Impairment (-)	-	126.325	-	(8.500)	-	-
-Secured portion of the net value by guarantees etc.	-	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Receivables					
	Trade receivables		Other receivables			
31 December 2022	**Related party**	**Other party**	**Related party**	**Other party**	**Bank deposits**	**Other**
Maximum exposed credit risk as of 31 December 2022 (A+B+C+D)	**67.305**	**18.014.822**	**29.280.811**	**1.980.178**	**2.359.309**	**198.644**
- Secured portion of the maximum credit risk by guarantees, etc.	-	(12.123.273)	-	-	-	-
A.Net book value of financial assets either are not due or not impaired	67.305	9.336.203	29.280.811	1.980.178	2.359.309	198.644
- Secured portion by guarantees etc.	-	(7.943.295)	-	-	-	-
B. Financial assets with renegotiated conditions	-	-	-	-	-	-
C.Net book value of the overdue but not impaired financial assets	-	8.678.619	-	-	-	-
- Secured portion by guarantees etc.	-	(4.434.713)	-	-	-	-
D.Net book value of the impaired financial assets	-	-	-	-	-	-
-Over due (gross book value)	-	254.738	-	161.314	-	-
-Impairment (-)	-	(254.738)	-	(161.314)	-	-
-Secured portion of the net value by guarantees etc.	-	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

Aging of trade receivable from other parties which are overdue but not impaired is as follows:

	31 December 2023	31 December 2022
Overdue 1 - 30 days	2.599.230	3.529.200
Overdue 1 - 3 months	1.908.942	1.983.068
Overdue 3 - 12 months	3.029.207	2.421.261
Overdue more than 1 year	1.463.110	745.090
Total	**9.000.489**	**8.678.619**

b.2) Liquidity risk:

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities are presented by undiscounted net inflows and outflows.

The Group has classified letters of credit that used for the purchases of goods within the scope of its ordinary activities under trade payables. The amount of such letters of credit is TL 15.332.511 as of 31 December 2023 (31 December 2022: 9.423.298).

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 31 December 2023, maturity analysis of the Group's financial liabilities is as follows:

Contractual maturities	**Carrying value**	**Contractual cash flows**	**Up to 3 months**	**3 - 12 months**	**1 - 5 years**	**More than 5 years**
Non-derivative financial liabilities						
Financial and lease liabilities	29.419.821	33.914.872	9.695.481	19.891.984	2.786.855	1.540.552
Trade payables	42.143.948	42.237.535	35.391.978	6.301.969	429.269	114.319
Other payables	14.166	14.166	14.166	-	-	-
	71.577.935	**76.166.573**	**45.101.625**	**26.193.953**	**3.216.124**	**1.654.871**
Derivative financial instruments						
Derivative cash inflows		44.771.783	28.571.639	16.200.144	-	-
Derivative cash outflows		(41.407.613)	(25.359.096)	(16.048.517)	-	-
	439.254	**3.364.170**	**3.212.543**	**151.627**	**-**	**-**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 31 December 2022, maturity analysis of the Group's financial liabilities is as follows:

Contractual maturities	Carrying value	Contractual cash flows	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities						
Financial and lease liabilities	35.320.241	36.922.595	3.495.394	31.358.634	2.068.567	-
Trade payables	35.861.761	36.356.487	28.754.252	7.191.400	236.446	174.389
Other payables and liabilities	4.598	4.598	4.598	-	-	-
	71.186.600	**73.283.680**	**32.254.244**	**38.550.034**	**2.305.013**	**174.389**
Derivative financial instruments						
Derivative cash inflows		34.449.093	23.041.402	11.407.691	-	-
Derivative cash outflows		(38.194.305)	(27.961.735)	(10.232.570)	-	-
	804.661	**(3.745.212)**	**(4.920.333)**	**1.175.121**	**-**	**-**

b.3) Foreign currency risk:

The Group is exposed to exchange rate risk due to its foreign currency denominated transactions. The main principle of foreign currency risk management is to maintain foreign exchange position at the level that minimizes the impact of foreign exchange fluctuations.

Derivative instruments are used in foreign currency risk management where necessary. In this respect the Group mainly prefers using foreign exchange forward contracts.

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

31 December 2023	**USD (Thousand)**	**EUR (Thousand)**	**Other (TL Equivalent)**	**TL Equivalent**
1. Trade receivables	92.538	238.713	1.575.155	12.075.124
2a. Monetary financial assets (including cash and cash equivalents)	27.790	8.261	2.081	1.089.263
2b. Non-monetary financial assets	-	-	-	-
3. Other	68.685	893	-	2.051.052
4. Current assets (1+2+3)	**189.013**	**247.867**	**1.577.236**	**15.215.439**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	18.643	3.115	-	650.277
7. Other	819.838	51	-	24.136.218
8. Non-current assets (5+6+7)	**838.481**	**3.166**	**-**	**24.786.495**
9. Total assets (4+8)	**1.027.494**	**251.033**	**1.577.236**	**40.001.934**
10. Trade payables	857.466	187.826	154.204	31.571.227
11. Financial liabilities	345.908	118.528	599.569	14.668.741
12a. Other monetary liabilities	80	1.415	-	48.528
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	**1.203.454**	**307.769**	**753.773**	**46.288.497**
14. Trade payables	-	5.460	-	178.174
15. Financial liabilities	15.690	16.633	-	1.005.474
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	**15.690**	**22.093**	**-**	**1.183.648**
18. Total liabilities (13+17)	**1.219.144**	**329.862**	**753.773**	**47.472.145**
19. Off-balance sheet derivative instruments	**-**	**-**	-	-
net asset / (liability) position (19a+19b) (*)	**649.071**	**(476.750)**	**108.175**	**3.692.531**
19a. Hedged total assets	1.068.802	227.544	5.896.185	44.841.898
19b. Hedged total liabilities	(419.731)	(704.294)	(5.788.010)	(41.149.367)
20. Net foreign currency asset/ (liability) position (9-18+19)	**457.421**	**(555.579)**	**931.638**	**(3.777.680)**
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	**(210.293)**	**(81.943)**	**823.463**	**(8.120.488)**
22. Fair value of financial instruments used in foreign currency hedging	**-**	**-**	-	**(439.254)**
23. Export	541.555	1.533.534	9.851.005	76.246.912
24. Import	1.404.462	207.252	542.079	39.158.737

(*)The net asset / (liability) positions of derivative instruments in foreign currency are included outside the statement of financial position.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 1 JANUARY – 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

31 December 2022	**USD (Thousand)**	**EUR (Thousand)**	**Other (TL Equivalent)**	**TL Equivalent (Historic Date)**	**TL Equivalent**
1. Trade receivables	92.683	263.765	587.424	7.578.567	12.487.426
2a. Monetary financial assets (including	-	-	-	-	-
cash and cash equivalents)	21.100	26.982	10.514	942.932	1.553.697
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	40.192	832	-	768.108	1.265.634
4. Current assets (1+2+3)	**153.975**	**291.579**	**597.938**	**9.289.607**	**15.306.757**
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	4.595	10.569	-	296.611	488.735
7. Other	783.367	51	-	14.648.648	24.137.005
8. Non-current assets (5+6+7)	**787.962**	**10.620**	-	**14.945.259**	**24.625.740**
9. Total assets (4+8)	**941.937**	**302.199**	**597.938**	**24.234.866**	**39.932.496**
10. Trade payables	677.301	217.665	95.485	17.129.632	28.224.995
11. Financial liabilities	248.953	84.602	183.531	6.536.488	10.770.362
12a. Other monetary liabilities	277	805	-	21.265	35.039
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**926.531**	**303.072**	**279.016**	**23.687.385**	**39.030.396**
14. Trade payables	-	9.157	-	182.873	301.325
15. Financial liabilities	36.142	-	-	677.012	1.115.532
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**36.142**	**9.157**	**-**	**859.885**	**1.416.857**
18. Total liabilities (13+17)	**962.673**	**312.229**	**279.016**	**24.547.270**	**40.447.254**
19. Off-balance sheet derivative instruments	**-**	**-**	-	**-**	**-**
net asset / (liability) position (19a+19b)	**253.096**	**(367.085)**	**(206.830)**	**(2.796.817)**	**(4.608.397)**
19a. Hedged total assets	813.078	173.310	2.073.924	20.765.640	34.216.151
19b. Hedged total liabilities	(559.982)	(540.395)	(2.280.754)	(23.562.457)	(38.824.548)
20. Net foreign currency asset/ (liability) position (9-18+19)	**232.360**	**(377.115)**	**112.092**	**(3.109.221)**	**(5.123.154)**
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	**(25.331)**	**(20.599)**	**318.922**	**(609.015)**	**(1.003.491)**
22. Fair value of financial instruments used in foreign currency hedging	**-**	**-**	**-**	**(488.345)**	**(804.660)**
23. Export	614.513	1.589.196	2.421.546	-	81.881.685
24. Import	1.279.169	264.044	157.073	25.932.596	42.729.895

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

As of 31 December 2023 and 31 December 2022 sensitivity analysis of foreign exchange rates is presented in below tables. Secured portions include impact of off-balance sheet derivative instruments.

	Gain / Loss		**Equity**	
31 December 2023	**Foreign exchange appreciation**	**Foreign exchange depreciation**	**Foreign exchange appreciation**	**Foreign exchange depreciation**
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(570.655)	570.655	(570.655)	570.655
Secured portion from USD risk (-)	5.203	(5.203)	741.858	(741.858)
USD net effect	**(565.452)**	**565.452**	**171.203**	**(171.203)**
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(258.712)	258.712	(258.712)	258.712
Secured portion from EUR risk (-)	158.616	(158.616)	(998.860)	998.860
EUR net effect	**(100.096)**	**100.096**	**(1.257.572)**	**1.257.572**
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	82.346	(82.346)	82.346	(82.346)
Secured portion from other currency risk (-)	199.867	(199.867)	608.969	(608.969)
Other currency net effect	**282.213**	**(282.213)**	**691.315**	**(691.315)**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Gain / Loss		**Equity**	
31 December 2022	**Foreign exchange appreciation**	**Foreign exchange depreciation**	**Foreign exchange appreciation**	**Foreign exchange depreciation**
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(69.233)	69.233	(69.233)	69.233
Secured portion from USD risk (-)	(610.344)	610.344	(610.344)	610.344
USD net effect	**(679.577)**	**679.577**	**(679.577)**	**679.577**
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(31.159)	31.159	(31.159)	31.159
Secured portion from EUR risk (-)	(29.331)	29.331	(29.331)	29.331
EUR net effect	**(60.490)**	**60.490**	**(60.490)**	**60.490**
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	19.028	(19.028)	19.028	(19.028)
Secured portion from other currency risk (-)	(63.635)	63.635	543.176	(543.176)
Other currency net effect	**(44.607)**	**44.607**	**562.204**	**(562.204)**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 30 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

b.4) Interest rate risk:

The Group is exposed to interest rate risk as the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate hedge contracts and forward interest rate contracts.

Analysis of financial instruments of the Group which are sensitive to interest rate changes is as follows:

	31 December 2023	31 December 2022
Financial instruments with fixed interst rates		
Bank deposits	91.298	353.846
Financial liabilities	16.670.036	18.181.815
Financial instruments with floating interst rates		
Financial liabilities	12.749.785	17.138.426

On 31 December 2023, if interest rates of all currency denominated financial assets and liabilities with variable interest rates has increased / decreased by 100 base point with all other variables held constant, income before taxes would have been TL 140.651 (2022:: TL 166.167) lower / higher as a result of interest expenses.

NOTE 31 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

Categories of financial instruments and fair values

Among Group's financial assets, cash and cash equivalents (note 5), trade receivables (notes 7 and 8) and other receivables (notes 9), are classified as amortized cost, as fair value through other comprehensive income, derivative instruments (note 29) as fair value through profit or loss.

Group's financial liabilities consist of financial liabilities (note 6), trade payables (note 7 and 8) and other payables (note 9) and are measured at amortized cost using the effective interest method, derivative instruments (note 29) are classified as fair value through profit or loss.

NOTE 31 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgement is necessarily required interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange. Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Monetary assets

The book value of foreign currency denominated balances which are translated to TL using exchange rates prevailing on the date of the balance sheet approximate their fair values. For financial assets measured at cost including cash and cash equivalents, the carrying amounts are the same with fair values due to their short term nature. Carrying amounts of trade receivables net of impairments approximate their fair values.

Monetary liabilities

The fair values of short term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term. Fair value is calculated by discounting the cash out flows regarding due dates of financial liabilities considering the changing country risk premium and changes in the market interest rates.

Fair value hierarchy

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 December 2023 unless otherwise stated.)

NOTE 31 - FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)

Fair value hierarchy tables as of 31 December 2023 and 31 December 2022 are as follows:

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	187.106	-	187.106
Financial investments	41.600	-	-	41.600
Financial liabilities				
Derivative financial liabilities	-	(626.360)	-	(626.360)

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	176.676	-	176.676
Financial investments	116.000	-	-	116.000
Financial liabilities				
Derivative financial liabilities	-	(981.337)	-	(981.337)

An independent valuation of the Group's land, land improvements and buildings were performed by valuers to determine the fair value of the land and buildings as at 31 December 2023. The fair value of land, land improvements and buildings were determined using the inputs other than quoted prices (Level 2), (Note 2.6.i).

NOTE 32 - SUBSEQUENT EVENTS

In accordance with the authorization granted by article 11 of the Company's Articles of Association; the Board of Directors resolved to take all necessary actions and apply to the Capital Markets Board (CMB), the Central Securities Depository and other authorities and institutions for the issuance of debt securities up to a total amount of USD 500,000,000 or an equivalent amount to be sold outside Turkey through one or more issuances within one year from the date of the approval of CMB. In line with this decision, an application was made to the Capital Markets Board on March 14, 2024. Following the approval of the issuance certificate by the Capital Markets Board, the final amount, maturity, and interest rate of the issuance will be determined considering the market conditions on the issuance date, and a final decision regarding the issuance will be made. Due to the uncertainty of the debt instrument issuance until the outcome of the credit rating service received and the evaluation of the suitability of the market conditions, our Company's decision to conclude the financial consultancy and credit rating service agreements for the debt instrument issuance and to evaluate the debt instrument issuance has been postponed until the issuance decision is taken with the Board of Directors' decision dated 18.12.2023 within the scope of Article 6 of the Capital Markets Board's Communiqué on Material Events Disclosure.

Pursuant to our PDP statements dated 21.03.2019, 07.12.2020, 27.01.2023 and 29.11.2023; the 13th Chamber of the Council of State accepted the appeals of the Competition Authority and Vestel Ticaret AŞ (Vestel Ticaret), a wholly-owned subsidiary of our Company and decided to annul the appellate decision, affirming the legality of the Competition Board's decision and that the file should be sent back to the Court of Appeal (Ankara 8th Administrative Trial Chamber) to be decided in favor of Vestel Ticaret and Whirlpool (Whirlpool Ev Aletleri Pazarlama ve Ticaret AŞ and Whirlpool Beyaz Eşya Sanayi ve Ticaret AŞ), with its decision dated 10.04.2023 and numbered 2023/206 E., 2023/1767 K. Based on the reversal decision of the Council of State, the file was sent to Ankara 8th Administrative Trial Chamber, and in order to ensure that the Council of State's reversal decision was fulfilled, the investigation initiated against Whirlpool and Vestel Ticaret was terminated by the Competition Authority's decision numbered 23-37/689-238. At this stage, Ankara 8th Administrative Trial Chamber, with its decision numbered 2023/1627 E. and 2024/395, decided to reject the plaintiffs' appeal, complying with the reversal decision of the 13th Chamber of the Council of State. Thus, due to Whirlpool's decision to terminate its activities in Turkey, the agreement regarding the after-sales services of Whirlpool products in the market to be provided by Vestel Ticaret was found to be lawful by the decision of the Ankara 8th Administrative Trial Chamber. It is permissible procedurally to appeal against the decision in question.