

**VESTEL ELEKTRONİK SANAYİ VE TİCARET
ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY– 31 MARCH 2024**

(ORIGINALLY ISSUED IN TURKISH)

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 31 MARCH 2024

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 31 MARCH 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited	Audited
	Notes	31 March 2024	31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	1.706.591	2.640.345
Financial Assets		41.249	40.653
Trade Receivables		18.743.933	20.511.129
Trade Receivables Due from Related Parties	7	825.343	525.314
Trade Receivables Due from Third Parties	8	17.918.590	19.985.815
Other Receivables		2.162.804	2.595.342
Other Receivables Due from Related Parties	7	963.673	1.023.276
Other Receivables Due from Third Parties	9	1.199.131	1.572.066
Derivative Financial Instruments	28	77.779	215.291
Inventories	10	26.691.386	27.052.556
Prepaid Expenses		962.540	1.753.471
Prepayments to Third Parties	11	962.540	1.753.471
Current Tax Assets	26	4.978	15.969
Other Current Assets		431.294	526.356
Other Current Assets Due from Third Parties	19	431.294	526.356
TOTAL CURRENT ASSETS		50.822.554	55.351.112
NON-CURRENT ASSETS			
Financial Assets		304.254	332.830
Associates Accounted by Using the Equity Method	12	6.677.836	6.739.588
Trade Receivables		167	945
Trade Receivables Due from Third Parties	8	167	945
Other Receivables		33.269.929	33.140.031
Other Receivables Due from Related Parties	7	33.246.590	33.101.246
Other Receivables Due from Third Parties	9	23.339	38.785
Property, Plant and Equipment	13	39.406.830	39.859.663
Right of Use Assets	14	1.790.601	1.416.530
Intangible Assets	15	4.636.146	4.503.350
Prepaid Expenses		2.932.471	2.693.552
Prepayments to Related Parties	7	2.504.800	2.280.689
Prepayments to Third Parties	11	427.671	412.863
TOTAL NON-CURRENT ASSETS		89.018.234	88.686.489
TOTAL ASSETS		139.840.788	144.037.601

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 31 MARCH 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited	Audited
	Notes	31 March 2024	31 December 2023
Short Term Borrowings	6	32.605.473	27.687.664
Short Term Borrowings from Third Parties		32.605.473	27.687.664
Bank Loans	6	27.719.835	23.337.187
Lease Liabilities	6	281.765	265.753
Issued Debt Instruments	6	4.603.873	4.084.724
Current Portion of Long Term Borrowings		1.802.333	3.250.160
Current Portion of Long Term Borrowings from			
Third Parties		1.802.333	3.250.160
Bank Loans	6	1.802.333	3.250.160
Other Financial Liabilities		1.106.124	1.449.458
Trade Payables		40.774.971	48.287.340
Trade Payables to Related Parties	7	169.608	129.479
Trade Payables to Third Parties	8	40.605.363	48.157.861
Payables Related to Employee Benefits	18	1.581.523	1.049.901
Other Payables		35.735	16.300
Other Payables to Third Parties	9	35.735	16.300
Derivative Financial Liabilities	28	318.871	720.713
Deferred Revenue		1.960.790	1.234.832
Deferred Revenue from Related Parties		-	4.628
Deferred Revenue from Third Parties	9	1.960.790	1.230.204
Current Tax Liabilities	26	38.378	18.028
Current Provisions		3.232.483	3.419.870
Other Current Provisions	16	3.232.483	3.419.870
Other Current Liabilities		2.370.275	2.773.678
Other Current Liabilities to Third Parties	19	2.370.275	2.773.678
TOTAL CURRENT LIABILITIES		85.826.956	89.907.944

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 31 MARCH 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited	Audited
	Notes	31 March 2024	31 December 2023
Long Term Borrowings		2.548.457	2.913.689
Long Term Borrowings from Third Parties		2.548.457	2.913.689
Bank Loans	6	1.806.233	2.148.787
Lease Liabilities	6	742.224	764.902
Other Financial Liabilities		247.767	295.731
Trade Payables		191.325	205.014
Trade Payables to Third Parties	8	191.325	205.014
Non-current Provisions		2.160.220	2.220.743
Non-current Provisions for Employee Benefits	18	1.630.800	1.818.987
Other Non-current Provisions	16	529.420	401.756
Deferred Tax Liabilities	26	2.392.933	1.464.473
Other Non-current Liabilities		6.046	14.770
Other Non-current Liabilities to Third Parties		6.046	14.770
TOTAL NON-CURRENT LIABILITIES		7.546.748	7.114.420
TOTAL LIABILITIES		93.373.704	97.022.364

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 31 MARCH 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited	Audited
	Notes	31 March 2024	31 December 2023
Equity Attributable to Owners of Parent		40.651.893	41.473.827
Share Capital	20	335.456	335.456
Adjustments to Share Capital		17.902.087	17.902.087
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss		8.882.151	8.923.954
Gains (Losses) on Revaluation and Remeasurement		8.882.151	8.923.954
Revaluation of Property, Plant and Equipment	20	10.370.323	10.402.993
Gains (Losses) on Remeasurement of Defined Benefit Plans		(1.488.172)	(1.479.039)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss		1.134.978	1.731.791
Exchange Differences on Translation		1.095.882	1.851.927
Gains (Losses) on Hedge		(32.838)	(190.132)
Gains (Losses) on Cash Flow Hedges		(32.838)	(190.132)
Gains (Losses) on Revaluation and Reclassification		71.934	69.996
Financial Assets Measured of Fair Value through Other Comprehensive Income	20	71.934	69.996
Restricted Reserves Appropriated from Profits		1.441.970	1.441.970
Legal Reserves	20	1.441.970	1.441.970
Retained Earnings		11.171.239	9.470.578
Current Period Net Profit Or (Loss)		(215.988)	1.667.991
Non-controlling Interests		5.815.191	5.541.410
TOTAL EQUITY		46.467.084	47.015.237
TOTAL LIABILITIES AND EQUITY		139.840.788	144.037.601

Condensed consolidated interim financial statements for the period 1 January - 31 March 2024, were approved by the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. on 20 June 2024.

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY – 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
	Notes		
PROFIT OR LOSS			
Revenue	21	26.632.665	28.730.106
Cost of Sales	21	(20.514.155)	(24.470.959)
GROSS PROFIT		6.118.510	4.259.147
General Administrative Expenses	23	(853.313)	(970.368)
Marketing Expenses	23	(3.992.259)	(3.581.720)
Research and Development Expense	23	(607.616)	(806.855)
Other Income from Operating Activities	24	875.529	706.757
Other Expenses from Operating Activities	24	(3.484.157)	(1.615.734)
(LOSS) / PROFIT FROM OPERATING ACTIVITIES		(1.943.306)	(2.008.773)
Share of Net Profit of Associates Accounted for Using the Equity Method		(182.424)	(4.210)
(LOSS) / PROFIT BEFORE FINANCING INCOME		(2.125.730)	(2.012.983)
Finance Income	25	4.089.359	2.177.536
Finance Costs	25	(4.873.839)	(2.808.239)
Monetary Gain / (Loss)		3.701.394	3.380.553
PROFIT BEFORE INCOME TAX		791.184	736.867
Tax (Expense) Income, Continuing Operations		(777.118)	(939.730)
Current Tax Expense	26	(9.112)	(293.695)
Deferred Tax Income / (Loss)	26	(768.006)	(646.035)
PROFIT FOR THE PERIOD		14.066	(202.863)
Profit / (loss), attributable to			
Non-controlling Interests		230.054	167.432
Owners of Parent	27	(215.988)	(370.295)
Earnings per share with a Kr 1 of Par Value (TL)	27	(0,0064)	(0,0110)

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
PERIODS 1 JANUARY – 31 MARCH 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

	Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
Notes		
PROFIT FOR THE PERIOD OTHER COMPREHENSIVE INCOME	14.066	(202.863)
Other Comprehensive Income that will not be Reclassified to Profit or Loss	(10.189)	(37.915)
Gains (Losses) on Remeasurements of Defined Benefit Plans	(13.585)	(47.393)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Profit or Loss	3.396	9.478
Taxes Relating to Remeasurements of Defined Benefit Plans	3.396	9.478
Other Comprehensive Income that will be Reclassified to Profit or Loss	(552.030)	(5.892)
Foreign Exchange Differences on Translation	(756.045)	(162.293)
Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	2.584	(68.220)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	269.436	263.721
Gains (Losses) on Cash Flow Hedges	269.436	263.721
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	(68.005)	(39.100)
Taxes Relating to Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	(646)	13.644
Taxes Relating to Cash Flow Hedges	(67.359)	(52.744)
OTHER COMPREHENSIVE INCOME	(562.219)	(43.807)
TOTAL COMPREHENSIVE INCOME	(548.153)	(246.670)
Total Comprehensive Income Attributable to		
Non-controlling Interests	273.781	197.724
Owners of Parent	(821.934)	(444.394)

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS 1 JANUARY – 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

	Issued Capital	Inflation Adjustments on Capital											Restricted Reserves Appropriated From Profits				Equity attributable to owners of parent	Non-controlling interests	Equity
			Increases (Decreases) on Revaluation of Property, Plant and Equipment	Gains (Losses) on Remeasurement of Defined Benefit Plans	Gains (Losses) on 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 Comprehensive Income	Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss								
Capital	on Capital	Plant and Equipment	Defined Benefit Plans	Revaluations and Remeasurements	Reclassified to Profit or Loss	Differences on Translation	Cash Flow Hedges	Gains or Losses on Hedge	Fair Value through Other Comprehensive Income	Gains (Losses) on Revaluation and Reclassification	that will be Reclassified to Profit or Loss	Reserves Appropriated From Profits	Prior Years' Profits or Losses	Current Period Net Profit Or Loss	Retained Earnings	able to owners of parent	ing interests	Equity	
Previous Period																			
1 January -31 March 2023																			
Beginning of Period	335.456	17.902.087	3.172.224	(1.230.025)	1.942.199	1.942.199	1.358.624	(245.272)	(245.272)	94.847	94.847	1.208.199	1.441.970	8.796.682	(128.105)	8.668.577	31.498.488	3.282.051	34.780.539
Transfers	-	-	(32.634)	-	(32.634)	(32.634)	-	-	-	-	-	-	-	(95.471)	128.105	32.634	-	-	-
Total Comprehensive Income	-	-	-	(38.927)	(38.927)	(38.927)	(162.293)	181.697	181.697	(54.576)	(54.576)	(35.172)	-	-	(370.295)	(370.295)	(444.394)	197.724	(246.670)
Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(370.295)	(370.295)	(370.295)	167.432	(202.863)
Other Comprehensive Income (Loss)	-	-	-	(38.927)	(38.927)	(38.927)	(162.293)	181.697	181.697	(54.576)	(54.576)	(35.172)	-	-	-	-	(74.099)	30.292	(43.807)
End of Period	335.456	17.902.087	3.139.590	(1.268.952)	1.870.638	1.870.638	1.196.331	(63.575)	(63.575)	40.271	40.271	1.173.027	1.441.970	8.701.211	(370.295)	8.330.916	31.054.094	3.479.775	34.533.869
Current Period																			
1 January -31 March 2024																			
Opening Balance	335.456	17.902.087	10.402.993	(1.479.039)	8.923.954	8.923.954	1.851.927	(190.132)	(190.132)	69.996	69.996	1.731.791	1.441.970	9.470.578	1.667.991	11.138.569	41.473.827	5.541.410	47.015.237
Transfers	-	-	(32.670)	-	(32.670)	(32.670)	-	-	-	-	-	-	-	1.700.661	(1.667.991)	32.670	-	-	-
Total Comprehensive	-	-	-	(9.133)	(9.133)	(9.133)	(756.045)	157.294	157.294	1.938	1.938	(596.813)	-	-	(215.988)	(215.988)	(821.934)	273.781	(548.153)
Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(215.988)	(215.988)	(215.988)	230.054	14.066
Other Comprehensive Income (Loss)	-	-	-	(9.133)	(9.133)	(9.133)	(756.045)	157.294	157.294	1.938	1.938	(596.813)	-	-	-	-	(605.946)	43.727	(562.219)
Closing Balance	335.456	17.902.087	10.370.323	(1.488.172)	8.882.151	8.882.151	1.095.882	(32.838)	(32.838)	71.934	71.934	1.134.978	1.441.970	11.171.239	(215.988)	10.955.251	40.651.893	5.815.191	46.467.084

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS****1 JANUARY – 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
	Notes		
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		(2.857.335)	755.332
Profit for the Period		14.066	(202.863)
Profit (Loss) from Continuing Operations		14.066	(202.863)
Adjustments to Reconcile Profit for the Period		785.545	2.051.105
Adjustments for Depreciation and Amortisation Expense	13	1.562.707	1.813.294
Adjustments for Impairment Loss			
(Reversal of Impairment Loss)		(40.942)	(112.472)
Adjustments for Impairment Loss			
(Reversal of Impairment Loss) of Receivables	8,9	(14.270)	(117.925)
Adjustments for Impairment Loss			
(Reversal of Impairment Loss) of Inventories	10	(26.672)	5.453
Adjustments for Provisions		85.305	(57.761)
Adjustments for (Reversal of) Provisions Related with			
Employee Benefits	18	145.028	385.084
Adjustments for (Reversal of) Lawsuit and/or			
Penalty Provisions	16	5.192	(11.476)
Adjustments for (Reversal of) Warranty Provisions	16	260.483	(39.926)
Adjustments for (Reversal of) Other Provisions	16	(325.398)	(391.443)
Adjustments for Interest (Income) Expenses		999.508	551.495
Adjustments for Interest Income	25	(1.141.404)	(746.570)
Adjustments for Interest Expense	25	2.140.912	1.298.065
Adjustments for Unrealised Foreign			
Exchange Losses (Gains)		(1.765.474)	(348.956)
Adjustments for Fair Value Losses (Gains)		5.106	45.160
Adjustments for Fair Value (Gains) Losses on			
Derivative Financial Instruments		5.106	45.160
Adjustments for Gains From Investments Accounted for Using Equity Method		182.424	4.210
Adjustments for Retained Earnings of Subsidiaries		182.424	4.210
Adjustments for Tax (Income) Expenses		777.118	939.730
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		13.236	(11.795)
Adjustments for Losses (Gains) Arised from Sale of Tangible Assets		13.236	(11.795)
Other Adjustments to Reconcile Profit (Loss)	5	3	5
Monetary Gain / (Loss)		(1.033.446)	(771.805)

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS****1 JANUARY – 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

	Notes	Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
Changes in Working Capital		(3.550.496)	(629.148)
Decrease (Increase) in Financial Asset		27.980	137.192
Adjustments for Decrease (Increase) in Trade Accounts Receivable		1.782.244	1.992.548
Decrease (Increase) in Trade Accounts Receivables from Related Parties		(300.029)	(4.474)
Decrease (Increase) in Trade Accounts Receivables from Third Parties		2.082.273	1.997.022
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		388.381	709.423
Decrease (Increase) in Other Third Party Receivables Related with Operations		388.381	709.423
Adjustments for Decrease (Increase) in Inventories		387.842	505.109
Decrease (Increase) in Prepaid Expenses		603.842	224.210
Adjustments for Increase (Decrease) in Trade Accounts Payable		(7.579.260)	(3.376.990)
Increase (Decrease) in Trade Accounts Payables to			
Related Parties		40.129	5.142
Increase (Decrease) in Trade Accounts Payables to Third Parties		(7.619.389)	(3.382.132)
Increase (Decrease) in Employee Benefit Liabilities		531.622	495.466
Adjustments for Increase (Decrease) in Other Operating Payables		19.435	4.708
Increase (Decrease) in Other Operating Payables to Third Parties		19.435	4.708
Increase (Decrease) in Deferred Revenue		725.958	(583.592)
Other Adjustments for Other Increase (Decrease) in Working Capital		(438.540)	(737.222)
Decrease (Increase) in Other Assets Related with Operations		106.053	(543.462)
Increase (Decrease) in Other Payables Related with Operations		(544.593)	(193.760)
Cash Flows from (used in) Operations		(2.750.885)	1.219.094
Payments Related with Provisions for Employee Benefits	18	(106.885)	(443.099)
Income Taxes Refund (Paid)	26	435	(20.663)

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS****1 JANUARY – 31 MARCH 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

		Unaudited 1 January - 31 March 2024	Unaudited 1 January - 31 March 2023
	Notes		
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(1.798.597)	(1.391.547)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		(3.527)	13.675
Proceeds from Sales of Property, Plant and Equipment		(3.527)	13.675
Purchase of Property, Plant, Equipment and Intangible Assets		(1.194.807)	(1.355.639)
Purchase of Property, Plant and Equipment	13	(837.217)	(933.139)
Purchase of Intangible Assets	15	(357.590)	(422.500)
Cash Advances and Loans		(600.263)	(49.583)
Cash Advances and Loans Made to Related Parties		(531.405)	(107.197)
Cash Advances and Loans Made to Third Parties		(68.858)	57.614
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		4.067.843	153.602
Proceeds from Borrowings	6	15.857.004	9.012.786
Proceeds from Loans		14.287.004	8.321.623
Proceeds from Issued Debt Instruments		1.570.000	691.163
Repayments of Borrowings	6	(9.550.660)	(7.776.803)
Loan Repayments		(8.955.030)	(7.407.031)
Issued bonds repayments		(390.000)	(369.772)
Cash Outflows from Other Financial Liabilities		(205.630)	-
Changes of Lease Liabilities		(6.666)	(106.255)
Interest Paid		(2.233.784)	(982.377)
Interest Received		1.949	6.251
EFFECT OF MONETARY GAIN / LOSS ON CASH AND CASH EQUIVALENTS		(404.074)	(369.256)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(992.163)	(851.869)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		58.412	41.723
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(933.751)	(810.146)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	2.640.320	2.943.232
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1.706.569	2.133.086

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 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 / İstanbul. The Group’s production facilities are located in Manisa Organized Industrial Zone, İzmir Aegean Free Zone.

The ultimate controller of the Company is Zorlu Holding.

Vestel Elektronik is registered to Capital Market Board (“CMB”) and its shares have been quoted to Borsa İstanbul (“BİST”) since 1990. As of 31 March 2024, 44,31% of the Company’s shares are publicly traded (31 December 2023: 44,31%).

As of 31 March 2024 the number of personnel employed at Group is 19.829 (31 December 2023: 19.304).

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 Holland B.V. Iberia Branch Office	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	Poland	Sales
Vestel Electronics Gulf DMC	UAE	Sales
Vestel U.S.A.	United States	Sales

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

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 FINANCIAL STATEMENTS**2.1 Basis of presentation****2.1.1 Statement of compliance**

The accompanying interim condensed financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, "Principals of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS" / "TFRS") and its addendum and interpretations ("IFRIC") issued by the Public Oversight Accounting and Auditing Standards Authority ("POAASA or POA") Turkish Accounting Standards Board.

The Group and its subsidiaries operating in Turkey maintains its accounting records and prepares 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.

The Group prepared its condensed interim financial statements for the period ended 31 March 2024 in accordance with ("TAS") 34 "Interim Financial Reporting" in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

Enterprises are free to prepare interim financial statements as a full set or as a summary in accordance with the TAS 34 standard. In this context, the Group has chosen to prepare summary financial statements in the interim periods. Financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 4 October 2022 and in the Financial Statement Samples and User Guide published by the CMB.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.1 Basis of presentation (Cont'd)****2.1.1 Statement of compliance (Cont'd)**

The Company has prepared its condensed financial statements for the interim period ended March 31, 2024 in accordance with TAS 34 Interim Period Financial Reporting in accordance with the Financial Reporting Standard. The condensed interim financial statements do not include all the information required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2023.

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 CMB Financial Reporting Standards. 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 TFRS.

Financial reporting in high-inflation economies

The Group has prepared its financial statements for the year dated 31 December 2023 and ending on the same date, by applying TAS 29 "Financial Reporting in High Inflation Economies" Standard, based on the announcement made by the POA on 23 November 2023 and the "Implementation Guide on Financial Reporting in High Inflation Economies" published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period. For this reason, the group has presented its financial statements as of 31 March 2023 and December 31, 2023, on the basis of purchasing power as of March 31, 2024.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying.

Rearrangements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of March 31, 2024, the indices and correction coefficients used in the correction of financial statements are as follows:

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.1 Basis of presentation (Cont'd)****2.1.1 Statement of compliance (Cont'd)**

Date	Index	Correction Coefficient	Three-Year Compound Inflation Rate
31 March 2024	2.139,47	1,00000	211%
31 December 2023	1.859,38	1,15064	268%
31 March 2023	1.269,75	1,68495	152%

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

- Current period financial statements prepared in TL are expressed in purchasing power at the balance sheet date, and 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 in 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 TAS 36 and TAS 2 were 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 adjusted using the relevant adjustment coefficients.
- All items included in the statement of comprehensive income, except for non-monetary items in the balance sheet that have an impact on the statement of comprehensive income, are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position gains/(losses) 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 TAS 29 associated revaluation funds recognised under equity was reclassified to the retained earnings as of 1 January 2021.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.1 Basis of presentation (Cont'd)****2.1.2 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 prepared and presented in Turkish Lira ("TL"), which is the functional currency of the parent company.

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 operating in foreign countries

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 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).

Exchange differences arising from using average and balance sheet date rates are included in "currency translation differences" under the shareholders' equity.

2.1.3 Basis of consolidation

The consolidated financial statements include the accounts of the Company, 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 CMB Financial Reporting Standards by applying uniform accounting policies and presentation.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.1 Basis of presentation (Cont'd)****2.1.3 Basis of consolidation (Cont'd)****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.

Financial assets in which the Group has direct or indirect voting rights equal to or above 50% which are immaterial to the Group financial results or over which a significant influence is not exercised by the Group are carried at cost less any provisions for impairment.

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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.1 Basis of presentation (Cont'd)****2.1.3 Basis of consolidation (Cont'd)****b) Investments in associates (Cont'd)**

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. Impairments are recorded in the statement of profit or loss and other comprehensive income.

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's total direct and indirect shareholding is below 20% or in which the Group does not have significant influence, traded in organized markets and whose fair value can be determined reliably are financial assets whose fair value difference is reflected in other comprehensive income in the consolidated financial statements. are classified as financial assets.

Shares of shareholders with non-controlling interests in the net assets and operating results of Subsidiaries are shown as "non-controlling interests" in the consolidated statement of financial position and consolidated statement of profit or loss.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.2 Netting / offsetting**

All items that are significant in terms of content and amount are shown separately in the financial statements, even if they are similar in nature. Amounts that are not material are shown by aggregating items that are similar in terms of their principles or functions. As a result of the nature of the transaction and event requiring offsetting, showing this transaction and event over their net amounts or monitoring the assets at their amounts after deducting impairment is not considered a violation of the non-offsetting rule. Income obtained by the Group as a result of transactions carried out in the normal course of business, other than the income defined in the section titled "Revenue", are shown at their net value, provided that they comply with the essence of the transaction or event.

2.3 Comparative information

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 financial statements.

2.4 Restatement and errors in the accounting estimates

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 changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.5. Amendments in Turkey Financial Reporting Standards

The accounting policies used in the preparation of financial statements for the accounting period ending 31 March 2024 are consistent with those used in the previous year, except for the new and amended Turkish Accounting Standards ("TAS")/IFRS and TAS/IFRS interpretations valid as of 1 January 2024, summarized below. has been implemented. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the relevant paragraphs.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)**2.5. Amendments in Turkey Financial Reporting Standards (Cont'd)****a) Standards, amendments, and interpretations applicable as of 31 March 2024:**

Amendment to TFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to TAS 1 – Non current liabilities with covenants; It is valid for annual reporting periods beginning on or after 1 January 2024. These changes clarify how the requirements that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The changes also aim to improve the information the entity provides regarding obligations subject to these conditions.

Amendments to TAS 7 and TFRS 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 group'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.

TFRS 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.

TFRS 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.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 2024:

TAS 21 Lack of convertibility; effective from annual periods beginning on or after January 1, 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a 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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

2.6 Going Concern

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

2.7 Summary of significant accounting policies

Summary financial statements for the interim period ending on March 31, 2024 have been prepared in accordance with the TAS 34 standard for the preparation of interim financial statements. The significant accounting policies used in preparing the summary financial statements are consistent with the accounting policies explained in detail in the financial statements dated 31 December 2023. Therefore, interim financial statements should be evaluated together with the financial statements for the year ending December 31, 2023.

2.8 Significant accounting estimates and assumptions

The frequency of revaluation studies is determined to ensure that the carrying values of revalued tangible assets do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair values of tangible asset items. In cases where the fair value of a revalued asset is thought to be significantly different from its carrying value, the revaluation study must be repeated and this study is carried out for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not deemed necessary to repeat revaluation studies for tangible assets whose fair value changes are insignificant. In this context, as a result of the evaluations made by the Group management, the lands, buildings and land improvements determined in the valuation studies as of December 31, 2023

It is assumed that the fair values will converge to the relevant fair values as of March 31, 2024, after deducting the current period depreciations.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 3 – INTERESTS IN OTHER ENTITIES**Subsidiaries:**

As of 31 March 2024 and 31 December 2023 the Group's significant subsidiaries are as follows:

Consolidated subsidiaries	Currency	31 March 2024		31 December 2023	
		Voting rights	Effective ownership	Voting rights	Effective ownership
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	TL	77,33	77,33	77,33	77,33
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 ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 31 March 2024 unless otherwise stated.)

NOTE 3 – INTERESTS IN OTHER ENTITIES (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 March 2024	31 December 2023
Accumulated non-controlling interests	5.815.191	5.631.677
Comprehensive income attributable to non-controlling interests	273.781	197.724

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.

Condensed balance sheet:

	31 March 2024	31 December 2023
Current assets	29.451.079	30.486.509
Non-current assets	28.478.149	28.097.013
Current liabilities	(27.817.436)	(29.009.303)
Non-current liabilities	(4.460.312)	(4.732.238)
Net assets	25.651.480	24.841.981

Condensed statement of comprehensive income:

	1 January - 31 March 2024	1 January - 31 March 2023
Net sales	13.973.539	16.910.736
Income / (loss) before tax	579.794	1.231.183
Tax benefit / (expense)	36.819	(117.297)
Net income / (loss) for the period	616.613	1.113.886
Total comprehensive income	809.499	1.237.634

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)**Condensed statement of cash flows:**

	1 January - 31 March 2024	1 January - 31 March 2023
<u>Operating activities:</u>		
Changes in working capital	197.521	531.193
Net cash provided by operating activities	1.233.101	1.532.249
<u>Investing activities:</u>		
Net cash used in investing activities	(1.735.944)	(1.324.542)
<u>Financing activities:</u>		
Proceeds from bank borrowings	1.634.786	1.392.276
Repayment of bank borrowings	(1.191.029)	(942.834)
Net cash (used in) / provided by financing activities	(126.989)	(1.133.869)
Cash and cash equivalents at the beginning of the period	839.410	1.097.277
Cash and cash equivalents at the end of the period	99.683	49.005

Other financial information of Group's subsidiaries are not presented on the grounds of materiality.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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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 strategic decisions.

Considering the fact that the Group's risks and rate of returns are dissimilar between product types and between geographical areas, The Group management uses industrial segments as primary reporting format and geographical segments as secondary reporting format.

Industrial segments

	Consumer and mobility electronics	Household appliances	Total
1 January -31 March 2024			
Revenue	9.177.763	17.454.902	26.632.665
Cost of sales	(8.371.775)	(12.142.380)	(20.514.155)
Gross profit	805.988	5.312.522	6.118.510
Depreciation and amortization	893.059	669.648	1.562.707
1 January -31 March 2023			
Revenue	8.819.075	19.911.031	28.730.106
Cost of sales	(7.656.407)	(16.814.552)	(24.470.959)
Gross profit	1.162.668	3.096.479	4.259.147
Depreciation and amortization	1.128.002	685.292	1.813.294

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 4 - SEGMENT REPORTING (Cont'd)**Purchase of Property, Plant, Equipment and Intangible Assets:**

	Consumer and mobility electronics	Household appliances	Total
1 January -31 March 2024	431.628	763.179	1.194.807
1 January -31 March 2023	480.350	875.289	1.355.639

Revenue by Geographic Location:

	1 January - 31 March 2024	1 January - 31 March 2023
Turkey	13.257.561	11.140.928
Europe	12.416.625	15.622.167
Other	3.544.185	4.292.069
Gross segment sales	29.218.371	31.055.164
Discounts (-)	(2.585.706)	(2.325.058)
Revenue	26.632.665	28.730.106

The amount of export for the period 1 January - 31 March 2024 is TL 15.960.810 (1 January - 31 March 2023: TL 19.914.236). Export sales are denominated in EUR, USD and other currencies as 74,1%, 16,7%, and 9,2% of total exports respectively. (1 January - 31 March 2023: 76,1% EUR, 17,4 % USD, 6,5 % other)

The carrying value of segment assets and costs incurred in order to obtain these assets are not separately disclosed since significant portion of assets of the Group are located in Turkey.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 5 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash	33.226	16.632
Bank deposits		
- <i>Demand deposits</i>	<i>1.526.683</i>	<i>2.374.021</i>
- <i>Time deposits</i>	<i>59.625</i>	<i>105.051</i>
Cheques and notes	22.349	18.018
Other	64.686	126.598
	1.706.569	2.640.320
Blocked deposits	22	25
Cash and cash equivalents	1.706.591	2.640.345

Effective interest rates

	31 March 2024	31 December 2023
TL	46,00%	18,00%
USD	1,00%	-
RUB	-	10,00%
KZT	13,20%	-

The Group has time deposits amounting to TL 48.927, USD 300 and KZT 14.000. (31 December 2023: 75.250 TL and 48.500 RUB)

As of 31 March 2024 and 31 December 2023 the Group's time deposits have an average maturity of less than 3 months.

The credit risks of the banks where the Group has deposits are evaluated based on independent data and no significant credit risk is expected. The fair values of cash and cash equivalents approximate their carrying values, including accrued income, at the balance sheet date.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 6 – FINANCIAL LIABILITIES

	31 March 2024	31 December 2023
Short term financial liabilities		
Short term bank loans	27.719.835	23.337.187
Short term portion of long term bank loans	1.802.333	3.250.160
Short term portion of long term lease liabilities	281.765	265.753
Short term issued bonds	4.603.873	4.084.724
	34.407.806	30.937.824
Long term financial liabilities		
Long term bank loans	1.806.233	2.148.787
Long term lease liabilities	742.224	764.902
	2.548.457	2.913.689

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

	31 March 2024			31 December 2023		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
Currency						
- USD	%10,57	433.908	14.034.147	%10,48	317.322	10.767.928
- EUR	%9,82	89.218	3.110.586	%10,12	105.507	3.961.604
- TL	%40,48	9.907.610	9.907.610	%37,80	7.908.747	7.908.747
- CNY	%9,19	148.213	667.492	%7,96	145.484	698.908
			27.719.835			23.337.187

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

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

31 March 2024				31 December 2023		
Currency	Weighted average of effective interest rates per	Original currency	TL Equivalent	Weighted average of effective interest rates per	Original currency	TL Equivalent
- USD	%11,24	25.877	836.955	%11,03	28.587	970.065
- EUR	%11,15	13.900	484.624	%10,96	14.190	532.810
- TL	%32,92	480.754	480.754	%29,96	1.747.285	1.747.285
Short term portion			1.802.333	3.250.160		
- USD	%11,49	15.673	506.921	%11,21	15.690	532.421
- EUR	%10,93	3.071	107.070	%10,96	6.135	230.359
- TL	%20,65	1.192.242	1.192.242	%20,65	1.386.007	1.386.007
Long term portion			1.806.233	2.148.787		
			3.608.566	5.398.947		

Total amount of Group's floating bank loans is TL 15.793.434 (31 December 2023: TL 14.670.365).

A significant portion of the long-term loans originated from the Central Bank of the Republic of Turkey, the term of the loan is 10 years with a 2-year grace period. 1.5 billion TL Investment Committed Advance Loan has been approved and the first tranche of the loan has been used. The remaining part are expected to be used during the year.

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

	31 March 2024	31 December 2023
One to two years	953.488	1.133.515
Two years and more	852.745	1.015.272
	1.806.233	2.148.787

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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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 March 2024	31 December 2023
3 months or less	3.099.998	6.030.466
Between 3-6 months	3.693.461	3.567.191
Between 6-12 months	8.999.975	5.072.708
	15.793.434	14.670.365

Guarantees given for the bank loans obtained are presented in note 16.

Fair values of short-term bank borrowings are considered to approximate their carrying values due to immateriality of discounting. 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 Group has fulfilled its financial commitments arising from its borrowings as of 31 March 2024 and 2023.

As of 31 March 2024 and 2023, the Group's net financial debt reconciliation is shown below:

	31 March 2024	31 March 2023
Net financial debt as of 1 January	31.211.193	37.697.517
Cash inflows from loans and issued bonds	15.857.004	9.012.786
Cash outflows from loan and bonds payments	(9.345.030)	(7.776.803)
Changes of lease liabilities	(6.666)	(106.255)
Unrealized exchange gain/loss	1.307.255	334.569
Changed interest	203.669	650.020
Change in cash and cash equivalents	933.751	810.146
Monetary gain / (loss)	(4.911.482)	(4.509.480)
Net financial debt at the end of the period	35.249.694	36.112.500

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 7 – RELATED PARTY DISCLOSURES**a) Short term trade receivables from related parties**

	31 March 2024	31 December 2023
ZES Dijital Ticaret A.Ş. (1)	261.192	28.939
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	511.979	443.424
Other related parties	52.172	52.951
	825.343	525.314

b) Short term trade payables to related parties

	31 March 2024	31 December 2023
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	33.012	20.132
Rotor Elektrik Üretim A.Ş. (1)	58.478	-
Zorlu Holding A.Ş. (2)	46.820	46.447
Other related parties	31.298	62.900
	169.608	129.479

c) Other short term receivables from related parties

	31 March 2024	31 December 2023
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	963.673	1.023.276
	963.673	1.023.276

The Company's interest rate of short term other receivables as of 31 March 2024 in USD is 8% and TL 55% (31 December 2023: USD 8% and TL 50%).

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)**d) Other long term receivables from related parties**

	31 March 2024	31 December 2023
Zorlu Holding A.Ş. (2)	12.468.766	13.038.512
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	11.861.671	11.574.558
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A. Ş. (4)	8.916.153	8.488.176
	33.246.590	33.101.246

The Company's interest rate of short term other receivables as of 31 March 2024 in USD is 8% and TL 55% (31 December 2023: in USD 8% and TL 50%).

e) Long term prepayments to related parties

	31 March 2024	31 December 2023
Zorlu Enerji Elektrik Üretim A.Ş. (1)	2.176.211	2.165.187
Other	328.589	115.502
	2.504.800	2.280.689

f) Transactions with related parties

	1 January - 31 March 2024	1 January - 31 March 2023
Sales		
ZES Dijital Ticaret A.Ş. (1)	364.937	703
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	385.522	5.274
Other related parties	16.007	13.572
	766.466	19.549

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)**f) Transactions with related parties (Cont'd)**

	1 January - 31 March 2024	1 January - 31 March 2023
Operating expenses		
Zorlu Holding A.Ş. (2)	121.745	114.178
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	45.141	28.998
Other related parties	33.788	48.436
	200.674	191.612

	1 January - 31 March 2024	1 January - 31 March 2023
Financial income		
Zorlu Holding A.Ş. (2)	1.366.226	472.030
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	1.387.702	511.272
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A.Ş. (4)	974.834	342.873
Other related parties	-	103.096
	3.728.762	1.429.271

Financial income from related parties consists of interest income and foreign exchange differences arising from financial liabilities.

	1 January - 31 March 2024	1 January - 31 March 2023
Financial expense		
Other related parties	1.919	76
	1.919	76

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)**f) Transactions with related parties (Cont'd)**

	1 January - 31 March 2024	1 January - 31 March 2023
Other income from operating activities		
Other related parties	222.248	4.798
Other expense from operating activities		
Other related parties	3.905	1.201

g) Guarantees received from and given to related parties are disclosed in note 16.

h) Compensation paid to key management including directors, the Chairman and members of Board of Directors, general managers and assistant general managers for the three months period ended 31 March 2024 is TL 40.066 (1 January – 31 March 2023: TL 38.095).

i) Financing income from related parties consists of interest income arising from loans given for financing purposes.

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	31 March 2024	31 December 2023
Short term trade receivables		
Trade receivables		
- <i>Related parties (note 7)</i>	825.343	525.314
- <i>Other parties</i>	16.881.610	18.242.072
Cheques and notes receivables	1.273.218	1.959.411
Other	73.989	93.317
	19.054.160	20.820.114
Unearned interest expense (-)		
- <i>Other parties</i>	(177.865)	(163.632)
Allowance for doubtful receivables (-)	(132.362)	(145.353)
Total short term trade receivables	18.743.933	20.511.129
Long term trade receivables		
Cheques and notes receivables	167	945
Total long term trade receivables	167	945

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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

	31 March 2024	31 December 2023
Short term trade payables		
Trade payables		
- <i>Related parties (note 7)</i>	169.608	129.479
- <i>Other parties</i>	40.705.779	48.259.564
Other	6.447	6.663
	40.881.834	48.395.706
Unearned interest income (-)		
- <i>Other parties</i>	(106.863)	(108.366)
Total short term trade payables	40.774.971	48.287.340
Long term trade payables		
Trade payables		
- <i>Other parties</i>	191.325	205.014
Total long term trade payables	191.325	205.014

NOTE 9 – OTHER RECEIVABLES

	31 March 2024	31 December 2023
Short term other receivables		
Receivables from public institutions	1.011.083	1.285.964
Receivables from related parties (note 7)	963.673	1.023.276
Deposits and guarantees given	161.776	263.056
Other	26.494	23.301
	2.163.026	2.595.597
Allowance for doubtful receivables (-)	(222)	(255)
	2.162.804	2.595.342

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 9 – OTHER RECEIVABLES (Cont'd)

	31 March 2024	31 December 2023
Long term other receivables		
Deposits and guarantees given	23.308	23.722
Receivables from related parties (note 7)	33.246.590	33.101.246
Other	8.309	24.587
	33.278.207	33.149.555
Allowance for doubtful receivables (-)	(8.278)	(9.524)
	33.269.929	33.140.031
Short term other payables		
Other payables		
- Other parties	35.735	16.300
	35.735	16.300
Deferred revenue		
- Other parties	1.960.790	1.230.204
	1.960.790	1.230.204

NOTE 10 – INVENTORIES

	31 March 2024	31 December 2023
Raw materials	13.226.742	13.818.290
Work in process	622.665	664.163
Finished goods	12.375.841	11.658.852
Merchandise	772.161	1.282.901
Other	59.706	35.292
	27.057.115	27.459.498
Provision for impairment on inventories (-)	(365.729)	(406.942)
	26.691.386	27.052.556

Cost of the inventory included in the consolidated statement of comprehensive income in the period 1 January – 31 March 2024 is TL 16.842.495 (1 January – 31 March 2023: TL 20.466.801).

As of 31 March 2024, the Group does not have inventories pledged as security for liabilities (31 December 2023: None)

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NOTE 10 – INVENTORIES (Cont'd)

	1 January - 31 March 2024	1 January - 31 March 2023
Opening balance, 1 January	406.942	442.848
Current year additions	(53.629)	5.541
Realised due to sale of inventory	26.957	(88)
Currency translation differences	(14.541)	1.399
Balance at 31 March	365.729	449.700

NOTE 11 – PREPAID EXPENSES

	31 March 2024	31 December 2023
Prepaid expenses in current assets		
Order advances given	724.790	1.400.702
Prepaid expenses	217.066	342.781
Business advances given	20.684	9.988
	962.540	1.753.471
Prepaid expenses in non-current assets		
Advances given for fixed asset purchases	378.141	343.333
Prepaid expenses	49.530	69.530
	427.671	412.863

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 March 2024		31 December 2023	
	%	Amount	%	Amount
Investment in associates				
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	%23	6.677.836	%23	6.739.588
		6.677.836		6.739.588

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%.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Currency translation differences	Transfers	31 March 2024
Cost or revaluation						
Land	15.764.139	-	-	(7.426)	-	15.756.713
Land improvements	496.686	-	-	(10.720)	900	486.866
Buildings	11.538.234	5.023	-	(136.783)	14.163	11.420.637
Leasehold improvements	1.593.900	206	-	(2.513)	14	1.591.607
Plant and machinery	38.442.697	301.120	(233.134)	(43.526)	42.189	38.509.346
Motor vehicles	73.967	31	(759)	(213)	13	73.039
Furniture and fixtures	6.613.542	26.747	(1.883)	(8.098)	6.007	6.636.315
Other tangible assets	15.912	-	-	(2)	-	15.910
Construction in progress	2.043.024	504.090	(1.676)	(667)	(63.286)	2.481.485
	76.582.101	837.217	(237.452)	(209.948)	-	76.971.918
Accumulated depreciation						
Land improvements	37.566	7.417	-	(3.170)	-	41.813
Buildings	450.954	285.815	-	(41.616)	-	695.153
Leasehold improvements	1.307.117	57.060	-	(1.816)	-	1.362.361
Plant and machinery	28.944.317	634.875	(226.077)	(48.845)	-	29.304.270
Motor vehicles	58.824	2.250	(434)	(79)	-	60.561
Furniture and fixtures	5.907.748	185.681	(1.232)	(7.177)	-	6.085.020
Other tangible assets	15.912	-	-	(2)	-	15.910
	36.722.438	1.173.098	(227.743)	(102.705)	-	37.565.088
Net book value	39.859.663					39.406.830

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	31 March 2023
Cost or revaluation						
Land	6.056.618	-	-	(1.694)	-	6.054.924
Land improvements	527.260	-	-	(3.305)	-	523.955
Buildings	9.770.119	37.059	(329)	(46.560)	22.750	9.783.039
Leasehold improvements	1.478.471	50.946	-	(1.443)	511	1.528.485
Plant and machinery	35.963.819	452.536	(154.345)	(151.679)	101.136	36.211.467
Motor vehicles	67.799	3.461	-	(3.376)	-	67.884
Furniture and fixtures	6.277.184	99.930	(5.171)	(44.284)	19.711	6.347.370
Other tangible assets	15.911	-	-	-	-	15.911
Construction in progress	3.797.033	289.207	-	(734)	(144.108)	3.941.398
	63.954.214	933.139	(159.845)	(253.075)	-	64.474.433
Accumulated depreciation						
Land improvements	35.164	8.821	-	(1.280)	-	42.705
Buildings	489.588	226.416	(329)	(16.061)	-	699.614
Leasehold improvements	1.245.157	49.745	-	(1.472)	-	1.293.430
Plant and machinery	27.649.231	882.914	(153.397)	(98.798)	-	28.279.950
Motor vehicles	56.687	2.453	-	(2.001)	-	57.139
Furniture and fixtures	5.627.996	169.296	(5.127)	(9.981)	-	5.782.184
Other tangible assets	15.911	-	-	-	-	15.911
	35.119.734	1.339.645	(158.853)	(129.593)	-	36.170.933
Net book value	28.834.480					28.303.500

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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

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

	1 January - 31 March 2024	1 January - 31 March 2023
Cost of sales	727.291	1.020.830
Research and development expenses	393.751	502.988
Marketing, selling and distribution expenses	383.072	147.241
General administrative expenses	53.396	135.605
Other operating expense (idle capacity depreciation expense)	5.197	6.630
	1.562.707	1.813.294

31 March 2024	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	15.756.713	-
Buildings and land improvements	-	11.907.503	-
31 December 2023	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	15.764.139	-
Buildings and land improvements	-	12.034.920	-

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 14 – RIGHT OF USE ASSETS

	1 January 2024	Additions	31 March 2024
Cost			
Land and buildings	2.725.451	510.653	3.236.104
Motor vehicles	540.351	35.341	575.692
	3.265.802	545.994	3.811.796
Accumulated amortization			
Land and buildings	1.400.156	157.700	1.557.856
Motor vehicles	449.116	14.223	463.339
	1.849.272	171.923	2.021.195
Net book value	1.416.530		1.790.601

	1 January 2023	Additions	31 March 2023
Cost			
Land and buildings	2.102.233	347.473	2.449.706
Motor vehicles	500.738	14.617	515.355
	2.602.971	362.090	2.965.061
Accumulated amortization			
Land and buildings	1.074.628	131.482	1.206.110
Motor vehicles	389.983	19.367	409.350
	1.464.611	150.849	1.615.460
Net book value	1.138.360		1.349.601

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 15 – INTANGIBLE ASSETS

	1 January 2024	Additions	Disposals	Currency translation differences	31 March 2024
Cost					
Rights	690.809	73	-	(2.172)	688.710
Development cost	13.746.870	321.781	-	-	14.068.651
Other intangible assets	2.133.816	35.736	-	(2.563)	2.166.989
	16.571.495	357.590	-	(4.735)	16.924.350
Accumulated amortization					
Rights	580.255	27.707	-	(2.143)	605.819
Development cost	9.919.856	131.741	-	-	10.051.597
Other intangible assets	1.568.034	58.238	-	4.516	1.630.788
	12.068.145	217.686	-	2.373	12.288.204
Net book value	4.503.350				4.636.146
	1 January 2023	Additions	Disposals	Currency translation differences	31 March 2023
Cost					
Rights	690.701	1.036	-	(2.615)	689.122
Development cost	12.121.610	385.246	-	-	12.506.856
Other intangible assets	1.983.178	36.218	(447)	(11.279)	2.007.670
	14.795.489	422.500	(447)	(13.894)	15.203.648
Accumulated amortization					
Rights	553.583	27.551	-	(3.318)	577.816
Development cost	8.957.509	244.775	-	-	9.202.284
Other intangible assets	1.501.055	50.474	-	(22.454)	1.529.075
	11.012.147	322.800	-	(25.772)	11.309.175
Net book value	3.783.342				3.894.473

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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**a) Provisions**

	31 March 2024	31 December 2023
Short term provisions		
Warranty and assembly provision	1.502.388	1.369.569
Other provisions	1.636.877	1.962.275
Provision for lawsuit risks	93.218	88.026
	3.232.483	3.419.870
Long term provisions		
Warranty and assembly provision	529.420	401.756
	529.420	401.756

As of 31 March 2024, 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 93.218 (31 December 2023: TL 88.026).

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)**b) Guarantees received by the Group****Guarantee letters, collaterals, cheques and notes received**

	31 March 2024	31 December 2023
Guarantee letters	4.629.811	2.529.984
Cheques and notes	2.182.348	2.397.401
Collaterals and pledges	6.097.788	3.021.522
	12.909.947	7.948.907

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

	USD	EUR	GBP	CNY		
CPMB's given by the Group	('000)	('000)	('000)	('000)	TL	TL Equivalent
31 March 2024						
A. CPMB's given on behalf of its own legal entity	17.709	2.135	-	140.650	3.049.407	4.330.048
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.708.104	172.695	60.346	-	18.283.327	114.361.031
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D. Total amount of other CPMB's given	21.228	-	-	-	16.829	703.419
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.	21.228	-	-	-	16.829	703.419
iii. Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-	-
Total	2.747.041	174.830	60.346	140.650	21.349.563	119.394.498

(*) 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.

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NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

	USD	EUR	GBP	CNY		
CPMB's given by the Group	('000)	('000)	('000)	('000)	TL	TL Equivalent
31 December 2023						
A. CPMB's given on behalf of its own legal entity	509	2.135	-	-	3.474.239	3.571.677
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.182.426	148.778	60.346	-	16.271.621	98.529.266
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D. Total amount of other CPMB's given	36.565	-	-	-	23.128	1.263.914
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	-	-	-	23.128	1.263.914
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	-	19.768.988	103.364.857

As of 31 March 2024, proportion of other CPMB's given by the Group to its equity is 2%(31 December 2023: 3%).

NOTE 17 – COMMITMENTS

As of the balance sheet date the Group has committed to realize exports amounting to 4.118.438 thousand USD (31 December 2023: 3.121.967 thousand USD) due to the export and investment incentive certificates obtained.

As of 31 March 2024, the Group has forward foreign currency purchase contract that amounts to, USD 887.127 thousand, EUR 228.801 thousand, GBP 115.725 thousand, PLN 14.220 thousand, and CNY 1.245.873 thousand against forward foreign currency sales contract that amounts to USD 375.604 thousand, EUR 593.386 thousand, GBP 94.146 thousand, PLN 38.862 thousand, RUB 948.000 and TL 4.485.731. (31 December 2023: purchase contract that amounts to USD 1.068.802 thousand, EUR 227.544 thousand, GBP 135.899 thousand, PLN 21.625 thousand, 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, RUB 987.000, TL 4.029.267).

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 18 – EMPLOYEE BENEFITS**Liabilities for employee benefits:**

	31 March 2024	31 December 2023
Due to personnel	685.231	588.159
Social security payables	896.292	461.742
	1.581.523	1.049.901

Long term provisions for employee benefits:

	31 March 2024	31 December 2023
Provision for employment termination benefits	1.630.800	1.818.987

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 35.058,58 TL/year as of 31 March 2024 (31 December 2023: 23.489,83 TL/year - at December 31, 2023 purchasing power).

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. TAS 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 March 2024, the provision is calculated by estimating the present value of the future obligation of the Group arising from retirement of employees. As of 31 March 2024, provision is calculated based on real discount rate of 3,72% (31 December 2023: Discount rate 3,72%, 23,60% annual inflation rate and 49,25% discount rate.) assuming 23,60% annual inflation rate and 49,25% discount rate.

The main assumption is that the seniority ceiling for each year of service increases in line with inflation. Thus, the discount rate applied represents the actual rate adjusted for the expected effects of inflation. As the maximum liability is revised every six months, the maximum amount of TL 35.058,58 as of 31 March 2024 and 31 December 2023 effective from 1 January 2024 has been taken into consideration in calculating the reserve for employment termination benefits of the Company.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 18 – EMPLOYEE BENEFITS (Cont'd)

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

	1 January - 31 March 2024	1 January - 31 March 2023
Balance at 1 January	1.818.987	2.350.974
Increase during the year	60.213	326.271
Payments during the year	(106.885)	(443.099)
Actuarial (gain) /loss	13.585	47.393
Interest expense	84.815	58.813
Monetary gain / (loss)	(239.915)	(261.559)
Balance at 31 March	1.630.800	2.078.793

NOTE 19 – OTHER ASSETS AND LIABILITIES

	31 March 2024	31 December 2023
Other current assets		
VAT carried forward	209.451	54.946
Rebates from suppliers and incentives income accruals	200.629	161.491
Other	21.214	309.919
	431.294	526.356

	31 March 2024	31 December 2023
Other current liabilities		
Taxes payables	1.062.398	1.425.031
Other	1.307.877	1.348.647
	2.370.275	2.773.678

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NOTE 20 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS**a) Paid in capital**

	31 March 2024	31 December 2023
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 March 2024 and 31 December 2023 the shareholding structures are as follows:

	Shareholding		Amount	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Zorlu Holding A.Ş.	%55,69	%55,69	186.819	186.819
Other shareholders	%44,31	%44,31	148.637	148.637
	%100	%100	335.456	335.456

b) Adjustment to share capital

Adjustment to share capital (restated to 31 December 2004 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.

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NOTE 20 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)**d) Legal reserves**

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.

	31 March 2024	31 December 2023
Legal reserves	1.441.970	1.441.970

	PPI-Indexed Legal Records	CPI Indexed Amounts	Differences Tracked in Past Years Profits/Losses
Capital Adjustment Gains/Losses	26.998.908	17.902.087	9.096.821
Appropriated Retained Earnings	2.120.400	1.441.970	678.429

e) Revaluation reserve

	31 March 2024	31 December 2023
Fair value gains on financial assets	71.934	69.996
Revaluation of property, plant and equipment	10.370.323	10.402.993
	10.442.257	10.472.989

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, dividends can be distributed in fixed or variable installments and dividend advances can be paid over the profit on interim financial statements.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 20 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)**f) Dividend distribution(cont'd)**

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.

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.

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NOTE 21 – SALES

	1 January - 31 March 2024	1 January - 31 March 2023
Domestic sales	13.257.561	11.140.928
Export sales	15.960.810	19.914.236
Gross sales	29.218.371	31.055.164
Sales discounts (-)	(2.585.706)	(2.325.058)
Net sales	26.632.665	28.730.106
Cost of sales	(20.514.155)	(24.470.959)
Gross profit	6.118.510	4.259.147

NOTE 22 – EXPENSES BY NATURE

	1 January - 31 March 2024	1 January - 31 March 2023
Raw materials, supplies and finished goods	16.842.495	20.466.801
Personnel expenses	3.421.679	3.064.625
Depreciation and amortization	1.557.510	1.806.664
Export, transportation, warehouse expenses	847.346	1.333.036
Warranty and assembly expenses	1.175.084	527.647
Advertising expenses	360.468	309.508
Other	1.762.761	2.321.621
	25.967.343	29.829.902

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 23 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES
a) General administrative expenses:

	1 January - 31 March 2024	1 January - 31 March 2023
Personnel expenses	383.849	332.465
Depreciation and amortization	53.396	135.605
Consultancy expenses	84.926	91.091
Information technology expenses	63.531	72.853
Rent and office expenses	35.018	39.458
Tax and duties	15.087	19.931
Export, transportation, warehouse expenses	19.774	30.888
Travelling expenses	13.947	8.595
Benefits and services provided externally	4.741	4.305
Other	179.044	235.177
	853.313	970.368

b) Marketing expenses:

	1 January - 31 March 2024	1 January - 31 March 2023
Export, transportation, warehouse expenses	788.207	1.255.625
Warranty and assembly expenses	1.175.084	527.647
Personnel expenses	815.030	785.940
Advertising expenses	359.761	308.966
Depreciation and amortization	383.072	147.241
Other	471.105	556.301
	3.992.259	3.581.720

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 31 MARCH 2024**

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NOTE 23 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (Cont'd)
c) Research and development expenses:

	1 January - 31 March 2024	1 January - 31 March 2023
Depreciation and amortization	393.751	502.988
Personnel expenses	135.397	139.211
Other	78.468	164.656
	607.616	806.855

NOTE 24 – OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES**a) Other income from operating activities:**

	1 January - 31 March 2024	1 January - 31 March 2023
Overdue interest charges	251.416	89.482
Foreign exchange gains arising from trading activities	210.211	476.910
Reversal of provisions	195.234	43.168
Other income	218.668	97.197
	875.529	706.757

b) Other expense from operating activities:

	1 January - 31 March 2024	1 January - 31 March 2023
Interest expense on term purchases	500.637	251.060
Foreign exchange expenses arising from trading activities	2.775.289	1.181.897
Other expenses	208.231	182.777
	3.484.157	1.615.734

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NOTE 25 – FINANCIAL INCOME AND FINANCIAL EXPENSE**a) Financial income:**

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange gains	2.810.491	705.062
Gains on derivative financial instruments	137.464	725.904
Interest income	1.141.404	746.570
	4.089.359	2.177.536

b) Financial expense:

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange losses	1.809.111	369.793
Losses on derivative financial instruments	526.081	815.855
Interest expense	2.140.912	1.298.065
Commission and other finance expenses	397.735	324.526
	4.873.839	2.808.239

NOTE 26 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	31 March 2024	31 December 2023
Corporation and income taxes	30.906	163.608
Prepaid taxes (-)	2.494	(161.549)
Current income tax liabilities - net	33.400	2.059
Deferred tax liabilities	(2.392.933)	(1.464.473)
Deferred tax liabilities - net	(2.392.933)	(1.464.473)

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NOTE 26 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

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 2024 and the following taxation periods. For banks, companies within the scope of Law No.

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;

- 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 taxpayer corporations or limited taxpayers exempt from corporate tax, except for those who obtain dividends through a place of business or permanent representative in Turkey,

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NOTE 26 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

In case of dividend distribution, 10% withholding 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 3 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.

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.

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 advantages arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

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NOTE 26 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

For the periods 31 March 2024 and 31 December 2023, tax expenses recognized in the statement of comprehensive income are as follows;

	1 January - 31 March 2024	1 January - 31 March 2023
Current period tax expense	(9.112)	(293.695)
Deferred tax income / (loss)	(768.006)	(646.035)
Total tax expense	(777.118)	(939.730)

Due to modernization, plant extension and investments incentive documents in Manisa Organized Industrial Zone, the Group has reduced rate of corporate tax advantage.

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.

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NOTE 26 – 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 March	31 December	31 March	31 December
	2024	2023	2024	2023
Deferred tax assets / (liabilities)				
Employment termination benefits	(1.630.800)	(1.818.987)	407.700	454.746
Investment incentive	-	-	741.782	853.521
Warranty provision	(2.031.808)	(1.771.325)	507.952	442.832
Provision for doubtful receivables	(132.362)	(145.353)	33.091	36.338
Net difference between book values and tax bases of property, plant and equipment and intangible asset	22.515.979	20.688.977	(4.278.036)	(3.931.541)
Net difference between book values and tax bases of inventories	2.583.025	2.062.488	(645.756)	(515.622)
Provision for derivative instruments	(241.092)	(505.422)	60.273	126.356
R&D incentives	-	-	1.010.183	1.005.391
Other	920.488	(254.019)	(230.122)	63.506
Deferred tax assets / (liabilities) - net			(2.392.933)	(1.464.473)

The Company'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.

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NOTE 26 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

As of March 31, 2024, the tax advantage amounting to TL 741.782 that the Company 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 Company, the tax advantage arising from the investment incentives that the Company 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 4.405.304 that the Company 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 29.522.

The Company 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 March 2024	1 January - 31 March 2023
Opening balance, 1 January	(1.464.473)	(18.779)
Tax expense recognized in income statement	(768.006)	(646.035)
Recognized in other comprehensive income	(64.609)	(29.622)
Currency translation differences	(95.845)	326.281
Deferred tax (liabilities) / assets at the end of the period, net	(2.392.933)	(368.155)

NOTE 27 – (LOSS) / EARNINGS PER SHARE

	1 January - 31 March 2024	1 January - 31 March 2023
Net income / (loss) attributable to equity holders of the parent	(215.988)	(370.295)
Weighted number of ordinary shares with a Kr 1 of par value (hundred shares)	33.545.600	33.545.600
Earnings per share	(0,0064)	(0,0110)

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NOTE 28 – DERIVATIVE INSTRUMENTS

	31 March 2024		31 December 2023	
	Fair Value		Fair Value	
	Contract amount	Assets / (Liabilities)	Contract amount	Assets / (Liabilities)
<u>Derivative financial instruments:</u>				
Held for trading				
Forward foreign currency transactions	3.250.035	12.724	10.524.500	160.326
Cash flow hedge				
Forward foreign currency transactions	6.653.474	65.055	8.861.215	54.965
<u>Derivative financial liabilities:</u>				
Held for trading				
Forward foreign currency transactions	14.462.499	(145.595)	11.823.732	(185.538)
Cash flow hedge				
Forward foreign currency transactions	17.059.494	(173.276)	20.306.588	(535.175)
	41.425.502	(241.092)	51.516.035	(505.422)

NOTE 29 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**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.

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NOTE 29 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD	EUR	Other	
31 March 2024	(Thousand)	(Thousand)	(TL Equivalent)	TL Equivalent
1. Trade receivables	70.651	208.319	923.539	10.454.515
2a. Monetary financial assets (including cash and cash equivalents)	13.741	8.656	13.063	757.945
2b. Non-monetary financial assets	-	-	-	-
3. Other	65.918	917	-	2.160.103
4. Current assets (1+2+3)	150.310	217.892	936.602	13.372.563
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	29.544	4.674	-	1.116.506
7. Other	874.840	51	-	28.246.334
8. Non-current assets (5+6+7)	904.384	4.725	-	29.362.840
9. Total assets (4+8)	1.054.694	222.617	936.602	42.735.403
10. Trade payables	761.361	218.036	189.428	32.416.409
11. Financial liabilities	459.785	123.411	667.492	19.841.319
12a. Other monetary liabilities	-	874	-	30.472
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	1.221.146	342.321	856.920	52.288.200
14. Trade payables	-	5.487	21	191.325
15. Financial liabilities	15.673	10.177	-	861.742
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	15.673	15.664	21	1.053.067
18. Total liabilities (13+17)	1.236.819	357.985	856.941	53.341.267
19. Off-balance sheet derivative instruments net asset / (liability) position (19a+19b)	511.523	(364.585)	348.267	4.115.530
19a. Hedged total assets	887.127	228.801	4.821.449	41.425.500
19b. Hedged total liabilities	(375.604)	(593.386)	(4.473.182)	(37.309.970)
20. Net foreign currency asset/ (liability) position (9-18+19)	329.398	(499.953)	427.928	(6.490.334)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(211.669)	(140.042)	79.661	(11.722.370)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(241.092)
23. Export	76.352	312.264	1.280.705	15.960.810
24. Import	303.344	47.522	30.592	11.498.684

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NOTE 29 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD	EUR	Other	TL Equivalent	TL Equivalent
31 December 2023	(Thousand)	(Thousand)	(TL Equivalent)	(Historic Date)	TL Equivalent
1. Trade receivables	92.538	238.713	1.575.155	12.075.124	13.894.075
2a. Monetary financial assets (including cash and cash equivalents)	27.790	8.261	2.081	1.089.263	1.253.345
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	68.685	893	-	2.051.052	2.360.015
4. Current assets (1+2+3)	189.013	247.867	1.577.236	15.215.439	17.507.435
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	18.643	3.115	-	650.277	748.232
7. Other	819.838	51	-	24.136.218	27.772.007
8. Non-current assets (5+6+7)	838.481	3.166	-	24.786.495	28.520.240
9. Total assets (4+8)	1.027.494	251.033	1.577.236	40.001.934	46.027.675
10. Trade payables	857.466	187.826	154.204	31.571.227	36.326.998
11. Financial liabilities	345.908	118.528	599.569	14.668.741	16.878.385
12a. Other monetary liabilities	80	1.415	-	48.528	55.838
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	1.203.454	307.769	753.773	46.288.497	53.261.221
14. Trade payables	-	5.460	-	178.174	205.014
15. Financial liabilities	15.690	16.633	-	1.005.474	1.156.935
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	15.690	22.093	-	1.183.648	1.361.948
18. Total liabilities (13+17)	1.219.144	329.862	753.773	47.472.145	54.623.171
19. Off-balance sheet derivative instruments net asset / (liability) position (19a+19b)	649.071	(476.750)	108.175	3.692.531	4.248.760
19a. Hedged total assets	1.068.802	227.544	5.896.185	44.841.898	51.596.713
19b. Hedged total liabilities	(419.731)	(704.294)	(5.788.010)	(41.149.367)	(47.347.953)
20. Net foreign currency asset/ (liability) position (9-18+19)	457.421	(555.579)	931.638	(3.777.680)	(4.346.735)
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)	(9.343.727)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(439.254)	(505.422)
23. Export	541.555	1.533.534	9.851.005	76.246.912	87.732.460
24. Import	1.404.462	207.252	542.079	39.158.737	45.057.462

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NOTE 29 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 31 March 2024 and 31 December 2023 sensitivity analysis of foreign exchange rates is presented in below tables. Secured portions include impact of off-balance sheet derivative instruments.

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 March 2024				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(595.195)	595.195	(595.195)	595.195
Secured portion from USD risk (-)	(256.730)	256.730	262.515	(262.515)
USD net effect	(851.925)	851.925	(332.680)	332.680
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(473.359)	473.359	(473.359)	473.359
Secured portion from EUR risk (-)	222.226	(222.226)	(585.591)	585.591
EUR net effect	(251.133)	251.133	(1.058.950)	1.058.950
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	7.968	(7.968)	7.968	(7.968)
Secured portion from other currency risk (-)	151.782	(151.782)	444.861	(444.861)
Other currency net effect	159.750	(159.750)	452.829	(452.829)

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 December 2023				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(656.616)	656.616	(656.616)	656.616
Secured portion from USD risk (-)	5.987	(5.987)	853.609	(853.609)
USD net effect	(650.629)	650.629	196.993	(196.993)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(297.683)	297.683	(297.683)	297.683
Secured portion from EUR risk (-)	182.509	(182.509)	(1.149.325)	1.149.325
EUR net effect	(115.174)	115.174	(1.447.008)	1.447.008
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	94.750	(94.750)	94.750	(94.750)
Secured portion from other currency risk (-)	229.974	(229.974)	700.702	(700.702)
Other currency net effect	324.724	(324.724)	795.452	(795.452)

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NOTE 30 – SUBSEQUENT EVENTS

Within the framework of the adjustment criteria in the Share Purchase Agreement, the share purchase price will be paid in cash and in advance. 25,000 Swedish shares that Elektroskandia Sverige AB owns in Cylinda AB and which Cylinda AB owns, upon payment of A total of 25,000 shares, each with a nominal value of 1 Swedish Krona (SEK), representing the capital of Krona (SEK). 100% indirectly affiliated, for a total price of 69,464,282 Swedish Krona (SEK) (6.08 million EUR). our partner Vestel Holland B.V. The acquisition and share transfer transactions by 03.06.2024 completed.