

**VESTEL ELEKTRONİK SANAYİ VE TİCARET
ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY– 30 JUNE 2024 (TOGETHER WITH INDEPENDENT
AUDITOR’S LIMITED REVIEW REPORT)**

(ORIGINALLY ISSUED IN TURKISH)

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 JUNE 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed	Audited
	Notes	30 June 2024	31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	3.678.116	2.862.263
Financial Assets		44.548	44.070
Trade Receivables		20.775.635	22.235.066
<i>Trade Receivables Due from Related Parties</i>	7	771.189	569.466
<i>Trade Receivables Due from Third Parties</i>	8	20.004.446	21.665.600
Other Receivables		2.203.557	2.813.477
<i>Other Receivables Due from Related Parties</i>	7	977.837	1.109.281
<i>Other Receivables Due from Third Parties</i>	9	1.225.720	1.704.196
Derivative Financial Instruments	26	314.848	233.386
Inventories	10	31.427.268	29.326.293
Prepaid Expenses		1.504.595	1.900.847
<i>Prepayments to Third Parties</i>	11	1.504.595	1.900.847
Current Tax Assets	24	9.232	17.311
Other Current Assets		328.802	570.600
<i>Other Current Assets Due from Third Parties</i>	19	328.802	570.600
TOTAL CURRENT ASSETS		60.286.601	60.003.313
NON-CURRENT ASSETS			
Financial Assets		298.932	360.804
Associates Accounted by Using the Equity Method	12	6.479.140	7.306.043
Trade Receivables		36	1.024
<i>Trade Receivables Due from Third Parties</i>	8	36	1.024
Other Receivables		34.771.600	35.925.412
<i>Other Receivables Due from Related Parties</i>	7	34.744.005	35.883.368
<i>Other Receivables Due from Third Parties</i>	9	27.595	42.044
Property, Plant and Equipment	13	42.714.820	43.209.822
Right of Use Assets	14	1.836.344	1.535.587
Intangible Assets	15	5.729.893	4.881.850
Prepaid Expenses		3.963.501	2.919.942
<i>Prepayments to Related Parties</i>	7	3.000.060	2.472.378
<i>Prepayments to Third Parties</i>	11	963.441	447.564
TOTAL NON-CURRENT ASSETS		95.794.266	96.140.484
TOTAL ASSETS		156.080.867	156.143.797

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 30 JUNE 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed	Audited
	Notes	30 June 2024	31 December 2023
LIABILITIES			
CURRENT LIABILITIES			
Short Term Borrowings	6	28.864.185	30.014.782
Short Term Borrowings from Third Parties		28.864.185	30.014.782
<i>Bank Loans</i>	6	23.379.273	25.298.651
<i>Lease Liabilities</i>	6	261.983	288.091
<i>Issued Debt Instruments</i>	6	5.222.929	4.428.040
Current Portion of Long Term Borrowings		3.009.950	3.523.331
Current Portion of Long Term Borrowings from			
Third Parties		3.009.950	3.523.331
<i>Bank Loans</i>	6	1.223.979	3.523.331
<i>Issued Debt Instruments</i>	6	1.785.971	-
Other Financial Liabilities		718.230	1.571.283
Trade Payables		41.576.157	52.345.835
<i>Trade Payables to Related Parties</i>	7	260.631	140.360
<i>Trade Payables to Third Parties</i>	8	41.315.526	52.205.475
Payables Related to Employee Benefits	18	1.237.651	1.138.144
Other Payables		336.079	17.670
<i>Other Payables to Third Parties</i>	9	336.079	17.670
Derivative Financial Liabilities	26	687.282	781.288
Deferred Revenue		2.121.621	1.338.618
<i>Deferred Revenue from Related Parties</i>		-	5.017
<i>Deferred Revenue from Third Parties</i>	9	2.121.621	1.333.601
Current Tax Liabilities	24	28.126	19.544
Current Provisions		3.626.371	3.707.307
<i>Other Current Provisions</i>	16	3.626.371	3.707.307
Other Current Liabilities		1.881.813	3.006.802
<i>Other Current Liabilities to Third Parties</i>	19	1.881.813	3.006.802
TOTAL CURRENT LIABILITIES		84.087.465	97.464.604

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 30 JUNE 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed	Audited
	Notes	30 June 2024	31 December 2023
NON-CURRENT LIABILITIES			
Long Term Borrowings		16.998.842	3.158.581
Long Term Borrowings from Third Parties		16.998.842	3.158.581
<i>Bank Loans</i>	6	1.578.492	2.329.389
<i>Lease Liabilities</i>	6	707.317	829.192
<i>Issued Debt Instruments</i>	6	14.713.033	-
Other Financial Liabilities		255.755	320.587
Trade Payables		160.615	222.245
<i>Trade Payables to Third Parties</i>	8	160.615	222.245
Non-current Provisions		2.175.173	2.407.394
<i>Non-current Provisions for Employee Benefits</i>	18	1.707.150	1.971.871
<i>Other Non-current Provisions</i>	16	468.023	435.523
Deferred Tax Liabilities	24	2.570.164	1.587.560
Other Non-current Liabilities		12.802	16.012
<i>Other Non-current Liabilities to Third Parties</i>		12.802	16.012
TOTAL NON-CURRENT LIABILITIES		22.173.351	7.712.379
TOTAL LIABILITIES		106.260.816	105.176.983

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 JUNE 2024 AND 31 DECEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
EQUITY			
Equity Attributable to Owners of Parent		43.748.886	44.959.655
Share Capital	20	335.456	335.456
Adjustments to Share Capital		19.434.932	19.434.932
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss		9.605.153	9.674.002
<i>Gains (Losses) on Revaluation and Remeasurement</i>		<i>9.605.153</i>	<i>9.674.002</i>
<i>Revaluation of Property, Plant and Equipment</i>	20	<i>11.221.812</i>	<i>11.277.352</i>
<i>Gains (Losses) on Remeasurement of Defined Benefit Plans</i>		<i>(1.616.659)</i>	<i>(1.603.350)</i>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss		1.875.182	1.877.346
Exchange Differences on Translation		1.674.790	2.007.579
Gains (Losses) on Hedge		125.464	(206.112)
<i>Gains (Losses) on Cash Flow Hedges</i>		<i>125.464</i>	<i>(206.112)</i>
Gains (Losses) on Revaluation and Reclassification		74.928	75.879
Financial Assets Measured of Fair Value through Other Comprehensive Income	20	<i>74.928</i>	<i>75.879</i>
Restricted Reserves Appropriated from Profits		1.563.166	1.563.166
<i>Legal Reserves</i>	20	<i>1.563.166</i>	<i>1.563.166</i>
Retained Earnings		12.130.293	10.266.569
Current Period Net Profit Or (Loss)		(1.195.296)	1.808.184
Non-controlling Interests		6.071.165	6.007.159
TOTAL EQUITY		49.820.051	50.966.814
TOTAL LIABILITIES AND EQUITY		156.080.867	156.143.797

Condensed consolidated interim financial statements for the period 1 January - 30 June 2024, were approved by the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. on 23 August 2024.

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
	Notes				
PROFIT OR LOSS					
Revenue	21	60.244.425	66.347.999	31.373.315	35.203.161
Cost of Sales	21	(46.196.474)	(53.314.488)	(23.958.129)	(26.786.772)
GROSS PROFIT		14.047.951	13.033.511	7.415.186	8.416.389
General Administrative Expenses		(1.739.664)	(1.821.247)	(814.631)	(769.320)
Marketing Expenses		(8.390.837)	(8.663.289)	(4.063.033)	(4.780.530)
Research and Development Expense		(1.158.346)	(1.315.205)	(499.660)	(440.535)
Other Income from Operating Activities	22	1.781.870	3.244.504	832.754	2.478.345
Other Expenses from Operating Activities	22	(5.630.670)	(11.788.636)	(1.853.674)	(10.037.101)
(LOSS) / PROFIT FROM OPERATING ACTIVITIES		(1.089.696)	(7.310.362)	1.016.942	(5.132.752)
Share of Net Profit of Associates Accounted for Using the Equity Method		(811.171)	(819.574)	(613.414)	(815.011)
(LOSS) / PROFIT BEFORE FINANCING INCOME		(1.900.867)	(8.129.936)	403.528	(5.947.763)
Finance Income	23	6.533.888	13.518.226	2.100.823	11.157.670
Finance Costs	23	(10.285.147)	(13.330.566)	(5.001.668)	(10.286.297)
Monetary Gain / (Loss)		5.708.522	5.946.574	1.696.030	2.281.890
PROFIT BEFORE INCOME TAX		56.396	(1.995.702)	(801.287)	(2.794.500)
Tax (Expense) Income, Continuing Operations		(1.002.164)	(342.645)	(159.729)	676.067
Current Tax Expense	24	(18.371)	(372.636)	(8.493)	(54.257)
Deferred Tax Income / (Loss)	24	(983.793)	29.991	(151.236)	730.324
PROFIT FOR THE PERIOD		(945.768)	(2.338.347)	(961.016)	(2.118.433)
Profit / (loss), attributable to					
Non-controlling Interests		249.528	184.902	138	3.398
Owners of Parent	25	(1.195.296)	(2.523.249)	(961.154)	(2.121.831)
Earnings per share with a Kr 1 of Par Value (TL)	25	(0,0356)	(0,0752)	(0,0287)	(0,0633)

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
LOSS FOR THE PERIOD OTHER COMPREHENSIVE INCOME	(945.768)	(2.338.347)	(961.016)	(2.118.433)
Other Comprehensive Income that will not be Reclassified to Profit or Loss	(15.082)	(230.086)	(4.036)	(316.764)
Gains (Losses) on Remeasurements of Defined Benefit Plans	(20.109)	(287.607)	(5.382)	(395.955)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Profit or Loss	5.027	57.521	1.346	79.191
Taxes Relating to Remeasurements of Defined Benefit Plans	5.027	57.521	1.346	79.191
Other Comprehensive Income that will be Reclassified to Profit or Loss	81.715	936.282	(77.626)	942.670
Foreign Exchange Differences on Translation	(332.789)	704.365	(270.967)	880.299
Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	(1.268)	(95.792)	(4.069)	(21.838)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	553.940	385.689	261.858	99.803
Gains (Losses) on Cash Flow Hedges	553.940	385.689	261.858	99.803
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	(138.168)	(57.980)	(64.448)	(15.594)
Taxes Relating to Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	317	19.158	1.017	4.367
Taxes Relating to Cash Flow Hedges	(138.485)	(77.138)	(65.465)	(19.961)
OTHER COMPREHENSIVE INCOME / (EXPENSE)	66.633	706.196	(81.662)	625.906
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	(879.135)	(1.632.151)	(1.042.678)	(1.492.527)
Total Comprehensive Income Attributable to				
Non-controlling Interests	331.634	222.893	34.842	8.550
Owners of Parent	(1.210.769)	(1.855.044)	(1.077.520)	(1.501.077)

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 – 30 JUNE 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 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	Gains (Losses) on Reclassification	Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss							
Previous Period																			
1 January -30 June 2023																			
Opening Balance	335.456	19.434.932	3.438.846	(1.333.406)	2.105.440	2.105.440	1.472.815	(265.886)	(265.886)	102.819	102.819	1.309.748	1.563.166	9.536.033	(138.874)	9.397.159	34.145.901	3.557.904	37.703.805
Transfers	-	-	(75.251)	-	(75.251)	(75.251)	-	-	-	-	-	-	-	(63.623)	138.874	75.251	-	-	-
Total Comprehensive Income (Loss)	-	-	-	(209.476)	(209.476)	(209.476)	704.365	249.950	249.950	(76.634)	(76.634)	877.681	-	-	(2.523.249)	(2.523.249)	(1.855.044)	222.893	(1.632.151)
Profit (Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.523.249)	(2.523.249)	(2.523.249)	184.902	(2.338.347)
Other Comprehensive Income (Loss)	-	-	-	(209.476)	(209.476)	(209.476)	704.365	249.950	249.950	(76.634)	(76.634)	877.681	-	-	-	-	668.205	37.991	706.196
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(130.052)	(130.052)
Transactions with non-controlling shareholders	-	-	(324)	9.187	8.863	8.863	-	(813)	(813)	-	-	(813)	(21.731)	324.442	-	324.442	310.761	124.672	435.433
Closing Balance	335.456	19.434.932	3.363.271	(1.533.695)	1.829.576	1.829.576	2.177.180	(16.749)	(16.749)	26.185	26.185	2.186.616	1.541.435	9.796.852	(2.523.249)	7.273.603	32.601.618	3.775.417	36.377.035
Current Period																			
1 January -30 June 2024																			
Opening Balance	335.456	19.434.932	11.277.352,0	(1.603.350)	9.674.002	9.674.002	2.007.579	(206.112)	(206.112)	75.879	75.879	1.877.346	1.563.166	10.266.569	1.808.184	12.074.753	44.959.655	6.007.159	50.966.814
Transfers	-	-	(55.540)	-	(55.540)	(55.540)	-	-	-	-	-	-	-	1.863.724	(1.808.184)	55.540	-	-	-
Total Comprehensive	-	-	-	(13.309)	(13.309)	(13.309)	(332.789)	331.576	331.576	(951)	(951)	(2.164)	-	-	(1.195.296)	(1.195.296)	(1.210.769)	331.634	(879.135)
Profit (Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.195.296)	(1.195.296)	(1.195.296)	249.528	(945.768)
Other Comprehensive Income (Loss)	-	-	-	(13.309)	(13.309)	(13.309)	(332.789)	331.576	331.576	(951)	(951)	(2.164)	-	-	-	-	(15.473)	82.106	66.633
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(267.628)	(267.628)
Closing Balance	335.456	19.434.932	11.221.812	(1.616.659)	9.605.153	9.605.153	1.674.790	125.464	125.464	74.928	74.928	1.875.182	1.563.166	12.130.293	(1.195.296)	10.934.997	43.748.886	6.071.165	49.820.051

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 – 30 JUNE 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed	Reviewed
		1 January -	1 January -
		30 June	30 June
	Notes	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		(7.116.748)	9.857.274
Profit for the Period		(945.768)	(2.338.347)
Profit (Loss) from Continuing Operations		(945.768)	(2.338.347)
Adjustments to Reconcile Profit for the Period		4.505.544	3.945.918
Adjustments for Depreciation and Amortisation Expense	13	2.910.863	3.480.212
Adjustments for Impairment Loss			
(Reversal of Impairment Loss)		21.532	53.127
Adjustments for Impairment Loss			
(Reversal of Impairment Loss) of Receivables	8,9	(18.659)	(61.929)
Adjustments for Impairment Loss			
(Reversal of Impairment Loss) of Inventories	10	40.191	115.056
Adjustments for Provisions		1.129.973	1.875.728
Adjustments for (Reversal of) Provisions Related with			
Employee Benefits	18	300.406	391.066
Adjustments for (Reversal of) Lawsuit and/or			
Penalty Provisions		18.706	(1.284)
Adjustments for (Reversal of) Warranty Provisions		512.440	1.330.287
Adjustments for (Reversal of) Other Provisions		298.421	155.659
Adjustments for Interest (Income) Expenses		2.485.265	1.964.534
Adjustments for Interest Income	23	(2.359.307)	(1.745.571)
Adjustments for Interest Expense	23	4.844.572	3.710.105
Adjustments for Unrealised Foreign			
Exchange Losses (Gains)		(2.346.533)	(5.346.125)
Adjustments for Fair Value Losses (Gains)		378.472	95.224
Adjustments for Fair Value (Gains) Losses on			
Derivative Financial Instruments		378.472	95.224
Adjustments for Gains From Investments Accounted for Using Equity Method		811.171	819.574
Adjustments for Retained Earnings of Subsidiaries		811.171	819.574
Adjustments for Tax (Income) Expenses		1.002.164	342.645
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		55.513	(19.435)
Adjustments for Losses (Gains) Arised from Sale of Tangible Assets		55.513	(19.435)
Other Adjustments to Reconcile Profit (Loss)	5	5	7
Monetary (Gain) / Loss		(1.942.881)	680.427

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 – 30 JUNE 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
	Notes		
Changes in Working Capital		(10.471.375)	8.868.400
Decrease (Increase) in Financial Asset		61.394	110.285
Adjustments for Decrease (Increase) in Trade Accounts Receivable		(3.145.622)	(4.616.890)
Decrease (Increase) in Trade Accounts Receivables from Related Parties		(337.638)	(194.857)
Decrease (Increase) in Trade Accounts Receivables from Third Parties		(2.807.984)	(4.422.033)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		165.256	387.164
Decrease (Increase) in Other Third Party Receivables Related with Operations		165.256	387.164
Adjustments for Decrease (Increase) in Inventories		(8.534.945)	(8.555.750)
Decrease (Increase) in Prepaid Expenses		20.731	236.348
Adjustments for Increase (Decrease) in Trade Accounts Payable		(433.255)	20.076.438
Increase (Decrease) in Trade Accounts Payables to			
Related Parties		158.925	132.164
Increase (Decrease) in Trade Accounts Payables to Third Parties		(592.180)	19.944.274
Increase (Decrease) in Employee Benefit Liabilities		348.960	1.089.920
Adjustments for Increase (Decrease) in Other Operating Payables		345.435	138.364
Increase (Decrease) in Other Operating Payables to Third Parties		345.435	138.364
Increase (Decrease) in Deferred Revenue		1.125.057	624.408
Other Adjustments for Other Increase (Decrease) in Working Capital		(424.386)	(621.887)
Decrease (Increase) in Other Assets Related with Operations		143.032	(805.983)
Increase (Decrease) in Other Payables Related with Operations		(567.418)	184.096
Cash Flows from (used in) Operations		(6.911.599)	10.475.971
Payments Related with Provisions for Employee Benefits	18	(186.416)	(523.117)
Income Taxes Refund (Paid)	24	(18.733)	(95.580)

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 – 30 JUNE 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

		Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
	Notes		
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(3.785.968)	(6.226.127)
Proceeds from sales of Shares Without			
Change in Control of Subsidiaries or Other Businesses		-	435.433
Cash Outflows Related to Purchases for			
Acquisition of Control of Subsidiaries		(210.539)	-
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		(36.345)	22.023
Proceeds from Sales of Property, Plant and Equipment		(36.345)	22.023
Purchase of Property, Plant, Equipment and Intangible Assets		(3.056.652)	(3.576.463)
Purchase of Property, Plant and Equipment	13	(1.699.774)	(2.342.269)
Purchase of Intangible Assets	15	(1.356.878)	(1.234.194)
Cash Advances and Loans		(482.432)	(3.107.120)
Cash Advances and Loans Made to Related Parties		(187.962)	(3.221.565)
Cash Advances and Loans Made to Third Parties		(294.470)	114.445
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		12.286.154	(1.580.143)
Proceeds from Borrowings	6	44.943.763	17.976.274
Proceeds from Loans		25.431.113	16.284.326
Proceeds from Issued Debt Instruments		19.512.650	1.691.948
Repayments of Borrowings		(27.643.727)	(14.839.984)
Loan Repayments	6	(25.205.390)	(13.065.910)
Issued bonds repayments	6	(1.524.000)	(1.774.074)
Cash Outflows from Other Financial Liabilities		(914.337)	-
Changes of Lease Liabilities		(147.983)	(27.632)
Interest Paid		(4.900.639)	(4.703.174)
Interest Received		34.740	14.373
EFFECT OF MONETARY GAIN / LOSS ON CASH AND CASH EQUIVALENTS		(608.996)	(1.288.012)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		774.442	762.992
Effect of Exchange Rate Changes on Cash and			
Cash Equivalents		41.416	761.257
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		815.858	1.524.249
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	2.862.236	3.190.609
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3.678.094	4.714.858

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 – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 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 and 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 30 June 2024, 47,23% of the Company’s shares are publicly traded (31 December 2023: 44,31%).

As of 30 June 2024 the number of personnel employed at Group is 19.525 (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 Mobilite 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
Cylinda AB (*)	Sweden	Sales

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

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

As of 31 May 2024, by making adjustments for financial and commercial liabilities the acquisition and transfer of all shares held by Elektroskandia Sverige AB in Cylinda AB, representing Cylinda AB's share capital of 25.000 Swedish Krona (SEK), each with nominal value of 1 Swedish Krona (SEK) totaling 25.000 shares, for a total consideration of 69.464.282 Swedish Krona (SEK) (6,08 million EUR) by Group's subsidiary, Vestel Holland B.V. through payment of the share purchase price in cash and upfront are completed on 4 June 2024.

Vestel Ticaret A.Ş., which is Group's subsidiary, transferred all of its 6.886.735 shares, each with a nominal value of 1 Turkish Lira, which is the owner of Vestel Mobility Sanayi ve Ticaret A.Ş. which is Group's subsidiary, to Vestel Elektronik Sanayi ve Ticaret A.Ş. for a consideration of 1.442.000 TL on 28 June 2024.

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**2.1 Basis of presentation****2.1.1 Statement of compliance**

The accompanying condensed consolidated interim 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, consolidated 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 Company 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 have been prepared in Turkish Lira on the basis of historical cost, except for land, buildings and land improvements from the tangible assets group shown at their fair value, and financial assets and liabilities shown at their fair value.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

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

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

The Group prepared its condensed consolidated interim financial statements for the period ended 30 June 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 consolidated 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. The condensed consolidated interim financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA and in the Financial Statement Samples and User Guide published by the CMB.

The condensed consolidated interim financial statements do not include all the information required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 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.

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

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 30 June 2023 and 31 December 2023 on the basis of purchasing power as of 30 June 2024.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

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

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

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 30 June 2024, the indices and correction coefficients used in the correction of financial statements are as follows:

<u>Date</u>	<u>Index</u>	<u>Correction Coefficient</u>	<u>Three-Year Compound Inflation Rate</u>
30 June 2024	2.139,29	1	324%
31 December 2023	1.859,38	1,2473	268%
30 June 2023	1.269,75	1,7160	190%

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 nonmonetary 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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED 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 condensed consolidated interim financial statements are 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 "exchange differences on translation" 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 TFRS Financial Reporting Standards by applying uniform accounting policies and presentation.

a) Subsidiaries

The Group has control 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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

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

2.1 Basis of presentation (Cont'd)

2.1.3 Basis of consolidation (Cont'd)

a) Subsidiaries (Cont'd)

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 condensed consolidated statements of comprehensive income and the condensed 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 assets of associates is included in the consolidated statements of comprehensive income in regards with the Group's share.

The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED 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)

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 reevaluated 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 – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED 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)

As of 30 June 2024, the Group's Meta Nikel Kobalt Madencilik San. ve Tic. A.Ş., Lentatek Uzay Havacılık ve Teknoloji A.Ş., Aydın Yazılım Elektronik ve Sanayi A.Ş. are recognized as zero in the consolidated balance sheet by evaluating their net asset position. (31 December 2023: Zero) The Group has no any capital completion commitment for these companies.

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

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

2.4 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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

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

2.5 Amendments in Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of 30 June 2024:

Amendment to IFRS 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 IFRS 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 IAS 1 – Noncurrent 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 IAS 7 and IFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

On 29 December 2023, the Public Oversight Authority (POA) published a Board Decision in the Official Gazette, announcing that certain businesses will be subject to mandatory sustainability reporting starting from 1 January 2024. The companies included in the scope of the sustainability application are determined in order to identify the businesses that will be subject to sustainability reporting within the scope of the "Board Decision on the Determination of Businesses Subject to Sustainability Reporting Within the Scope of the Application of Turkey Sustainability Reporting Standards (TSRS)" dated 5 January 2024.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

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

2.5 Amendments in Turkish Financial Reporting Standards (Cont'd)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

IAS 21 Lack of convertibility; effective from annual periods beginning on or after 1 January 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.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

2.6 Going concern

The Company prepared 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 30 June 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 31 December 2023.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.8. Critical accounting estimates and judgments

The frequency of revaluations is determined to ensure that the carrying amounts of the revalued items of property, plant and equipment are not materially different from their fair values at the end of the reporting period. The frequency of revaluations depends on the change in the fair value of the items of property, plant and equipment.

Where the fair value of a revalued asset is considered to be materially different from its carrying amount, the revaluation is required to be repeated and this is done for the entire asset class in which the revalued asset is included as of the same date. On the other hand, it is not considered necessary to repeat the revaluation of property, plant and equipment whose fair value changes are insignificant.

In this context, as a result of the assessments made by the Company management and received from an independent real estate appraisal firm, it is assumed that the fair values of land, buildings and land improvements determined in the valuation studies performed as of 31 December 2023 will converge to their respective fair values as of 30 June 2024 after deducting current period depreciation and the CPI change in the related interim period.

The Company management takes into consideration the guarantees received from customers, past collection performances, maturity analysis, disputes or lawsuits regarding receivables while evaluating the recoverability of trade receivables. As a result of all these evaluations, the determination of doubtful receivables and the determination of the amount of provisions allocated for these receivables also includes the assumptions and estimates of the management.

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NOTE 3 – INTERESTS IN OTHER ENTITIES

Subsidiaries:

As of 30 June 2024 and 31 December 2023 the Group's significant subsidiaries are as follows:

Consolidated subsidiaries	Currency	30 June 2024		31 December 2023	
		Voting rights	Effective ownership	Voting rights	Effective ownership
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	TL	77,3	77,3	77,3	77,3
Vestel Mobilite Sanayi ve Ticaret A.Ş.	TL	100	100	100	100
Vestel Ticaret A.Ş.	TL	100	100	100	100
Vestel CIS Ltd.	RUB	100	100	100	100
Vestel Holland B.V. Iberia Branch Office	EUR	100	100	100	100
Vestel France SA	EUR	100	100	100	100
Vestel Holland B.V.	EUR	100	100	100	100
Vestel Holland B.V. Germany Branch Office	EUR	100	100	100	100
Cabot Communications Ltd.	GBP	90,8	90,8	90,8	90,8
Vestel UK Ltd.	GBP	100	100	100	100
Vestel Holland B.V. UK Branch Office	GBP	100	100	100	100
Vestek Elektronik Araştırma Geliştirme A.Ş.	TL	100	100	100	100
Vestel Trade Ltd.	RUB	100	100	100	100
Intertechnika LLC	RUB	99,9	99,9	99,9	99,9
Vestel Central Asia LLP	KZN	100	100	100	100
Vestel Holland B.V. Poland Branch Office	PLN	100	100	100	100
Vestel Electronics Gulf DMC	AED	100	100	100	100
Vestel Electronics Shanghai Trading Co. Ltd.	CNY	100	100	100	100
Vestel Electronica SRL	RON	100	100	100	100
Vestel USA	USD	100	100	100	100
Vestel Ventures Ar-ge A.Ş.	USD	100	100	100	100
Cylinda AB	SEK	100	100	-	-

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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.

	30 June 2024	31 December 2023
Accumulated non-controlling interests	6.071.165	6.105.013
	1 January - 30 June 2024	1 January - 30 June 2023
Comprehensive income attributable to non-controlling interests	331.634	222.893

The financial statements of the subsidiary are adjusted to include the effects of revaluation of property, plant and equipment in accordance with the Group's accounting policies applied in preparation of the consolidated financial statements.

Condensed balance sheet:

	30 June 2024	31 December 2023
Current assets	30.361.674	33.048.866
Non-current assets	31.248.187	30.458.535
Current liabilities	(30.152.240)	(31.447.504)
Non-current liabilities	(4.677.008)	(5.129.976)
Net assets	26.780.613	26.929.921

Condensed statement of comprehensive income:

	1 January - 30 June 2024	1 January - 30 June 2023
Net sales	31.939.613	38.393.846
Income before tax	660.244	1.592.189
Tax benefit	8.805	251.838
Net income for the period	669.049	1.844.027
Total comprehensive income	1.031.232	1.987.305

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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

	1 January - 30 June 2024	1 January - 30 June 2023
<u>Operating activities:</u>		
Changes in working capital	(1.976.359)	1.298.174
Net cash provided by operating activities	950.166	2.993.666
<u>Investing activities:</u>		
Net cash used in investing activities	376.489	(2.324.176)
<u>Financing activities:</u>		
Proceeds from bank borrowings	3.666.836	3.893.153
Repayment of bank borrowings	(2.484.395)	(3.330.881)
Net cash (used in) / provided by financing activities	(1.928.523)	(1.237.842)
Cash and cash equivalents at the beginning of the period	909.962	1.189.505
Cash and cash equivalents at the end of the period	127.645	424.765

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 – 30 JUNE 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. Gross profitability is taken into account in the performance of the segments.

Industrial segments

	Consumer and mobility electronics	Household appliances	Total
1 January -30 June 2024			
Revenue	20.960.678	39.283.747	60.244.425
Cost of sales	(18.044.386)	(28.152.088)	(46.196.474)
Gross profit	2.916.292	11.131.659	14.047.951
Depreciation and amortization	1.579.873	1.330.990	2.910.863
1 January -30 June 2023			
Revenue	20.473.784	45.874.215	66.347.999
Cost of sales	(17.930.253)	(35.384.235)	(53.314.488)
Gross profit	2.543.531	10.489.980	13.033.511
Depreciation and amortization	2.135.178	1.345.034	3.480.212

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NOTE 4 - SEGMENT REPORTING (Cont'd)

	Consumer and mobility electronics	Household appliances	Total
1 April -30 June 2024			
Revenue	11.011.535	20.361.780	31.373.315
Cost of sales	(8.968.974)	(14.989.155)	(23.958.129)
Gross profit	2.042.561	5.372.625	7.415.186
Depreciation and amortization	611.753	605.059	1.216.812
1 April -30 June 2023			
Revenue	10.913.476	24.289.685	35.203.161
Cost of sales	(9.630.334)	(17.156.438)	(26.786.772)
Gross profit	1.283.142	7.133.247	8.416.389
Depreciation and amortization	912.369	602.144	1.514.513

Capital expenditure

	Consumer and mobility electronics	Household appliances	Total
1 January -30 June 2024	1.232.703	1.823.949	3.056.652
1 January -30 June 2023	1.168.759	2.407.704	3.576.463

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NOTE 4 - SEGMENT REPORTING (Cont'd)**Geographical segments:**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Turkey	28.111.779	26.940.706	13.739.935	14.863.396
Europe	29.978.144	35.885.853	16.517.915	18.950.661
Other	7.371.027	8.816.307	3.528.958	4.163.494
Gross segment sales	65.460.950	71.642.866	33.786.808	37.977.551
Discounts (-)	(5.216.525)	(5.294.867)	(2.413.493)	(2.774.390)
Revenue	60.244.425	66.347.999	31.373.315	35.203.161

The amount of export for the period 1 January - 30 June 2024 is TL 37.349.171 (1 January – 30 June 2023: TL 44.702.160). Export sales are denominated in EUR, USD and other currencies as 72%, 19%, and 9% of total exports respectively (1 January – 30 June 2023: 72,5% EUR, 21% 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.

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NOTE 5 - CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Cash	21.318	18.030
Bank deposits		
- <i>Demand deposits</i>	<i>3.578.187</i>	<i>2.573.555</i>
- <i>Time deposits</i>	<i>55</i>	<i>113.880</i>
Cheques and notes	29.757	19.532
Other	48.777	137.239
	3.678.094	2.862.236
Blocked deposits	22	27
Cash and cash equivalents	3.678.116	2.862.263

Effective interest rates

	30 June 2024	31 December 2023
TL	%35,00	%34,45

The Group has time deposits amounting to TL 55 (31 December 2023: TL 75.250 and RUB 48.500). As of 30 June 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.

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NOTE 6 – FINANCIAL LIABILITIES

	30 June 2024	31 December 2023
Short term financial liabilities		
Short term bank loans	23.379.273	25.298.651
Short term portion of long term bank loans	1.223.979	3.523.331
Short term portion of long term issued bonds (*)	1.785.971	-
Short term portion of long term lease liabilities	261.983	288.091
Short term issued bonds (*)	5.222.929	4.428.040
	31.874.135	33.538.113
Long term financial liabilities		
Long term bank loans	1.578.492	2.329.389
Long term lease liabilities	707.317	829.192
Long term issued bonds (*)	14.713.033	-
	16.998.842	3.158.581

* The maturity of the commercial papers with the ISIN code TRSVSTLK2421, with a maturity of 379 days and a payment every 3 months, amounting to 460.000 TL, which was issued by the Group to qualified investors on 19 October 2023, is 31 October 2024 and the annual simple interest rate of the coupon has been determined as 56,48%.

* The maturity of the commercial papers with the ISIN code TRSVSTLK2413, with a maturity of 395 days and a quarterly payment, in the amount of 300.000 TL, which was issued to qualified investors on 3 October 2023, is 31 October 2024 and the annual simple interest rate of the coupon has been determined as 58,51%.

* The maturity of the commercial papers with the ISIN code TRFVSTL82413, with a maturity of 362 days and a quarterly payment, in the amount of 190.000 TL, which was issued to qualified investors on 25 August 2023, is 20 August 2024 and the annual simple interest rate of the coupon has been determined as 55,70% .

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

* The maturity of the bond with the ISIN code TRSVSTLA2415, with a maturity of 379 days and a quarterly payment amounting to 517.000 TL, which was issued to qualified investors on 22 November 2023, is 20 August 2024 and the annual simple interest rate of the coupon has been determined as 55,63%.

* The maturity date of the bond with the ISIN code TRFVSTL92412, with a maturity of 147 days and a single coupon payment of 600.000 TL, which was issued to qualified investors on 30 April 2024, is 25 September 2024 and the annual simple interest rate of the coupon has been determined as 60%.

* The maturity date of the bond with the ISIN code TRFVSTL82421, with a maturity of 55 days and a single coupon payment of 500.000 TL, which was issued to qualified investors on 26 June 2024, is 20 August 2024 and the annual simple interest rate of the coupon has been determined as 52%.

* The maturity date of the bond with the ISIN code TRFVSTL2418, with a maturity of 167 days, a single coupon payment and an amount of 400.000 TL, which was issued to qualified investors on 5 June 2024, is 19 November 2024 and the annual simple interest rate of the coupon has been determined as 55%.

* The maturity of the bond with the ISIN code TRSVSTL22511, with a maturity of 384 days and a quarterly payment, amounting to 370.000 TL, which was issued to qualified investors on 7 February 2024, is 25 February 2025 and the annual simple interest rate of the coupon has been determined as 54,31%.

* The maturity date of the bond with the ISIN code TRSVEST92410, amounting to TL 50.000, with a maturity of 390 days, a payment every 3 months, issued to qualified investors on 24 August 2023 is 17 September 2024 and the annual simple interest rate of the coupon has been determined as 55,70%.

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

* The maturity date of the bond with the ISIN code TRSVEST92428 ISIN, amounting to 260.000 TL, with a maturity of 383 days and a payment every 3 months, which was issued to qualified investors on 1 September 2023, was 17 September 2024 and the annual simple interest rate of the coupon was determined as 55,70%.

* The maturity date of the commercial papers with the ISIN code TRFVESTA2419, amounting to 556.430 TL, with a maturity of 295 days and a payment every 3 months, which was issued to qualified investors on 21 February 2024, was 11 December 2024 and the annual simple interest rate of the coupon was determined as 55,13%.

* The Group issued a bond with the ISIN code XS2817919587 with a fixed interest payment coupon every 6 months, quoted on the Irish Stock Exchange, amounting to a total of USD 500 million, USD 450 million on 6 June 2024 and USD 50 million on 15 May 2024. The maturity of the bond is 15 May 2029 and the coupon interest rate is 9,75%. Vestel Mobilite Sanayi ve Ticaret A.Ş and Vestel Ticaret A.Ş are guarantors in issued bonds.

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

	30 June 2024			31 December 2023		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
Currency						
- USD	%9,23	270.532	8.896.526	%10,48	317.322	11.672.960
- EUR	%8,0	139.394	4.905.512	%10,12	105.507	4.294.572
- TL	%30,82	8.888.053	8.888.053	%37,80	8.573.469	8.573.469
- CNY	%9,19	151.392	689.182	%7,96	145.484	757.650
			23.379.273			25.298.651

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

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

30 June 2024				31 December 2023		
Currency	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
- USD	%7,99	26.090	857.977	%11,03	28.587	1.051.597
- EUR	-	-	-	%10,96	14.190	577.592
- TL	%23,84	366.002	366.002	%29,96	1.894.142	1.894.142
Short term portion			1.223.979	3.523.331		
- USD	%11,49	12.820	421.590	%11,21	15.690	577.170
- EUR	-	-	-	%10,96	6.135	249.720
- TL	%20,65	1.156.902	1.156.902	%20,65	1.502.499	1.502.499
Long term portion			1.578.492	2.329.389		
			2.802.471	5.852.720		

Total amount of Group's floating bank loans is TL 11.828.193 (31 December 2023: TL 15.903.392).

A significant portion of long-term loans consists of loans used within the approval of the Investment Committed Advance Loan (YTAK) with a fixed interest rate of 1.5 billion TL, originating from the Central Bank, with a total maturity of 10 years, including a grace period of 2 years for principal repayment.

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

	30 June 2024	31 December 2023
One to two years	756.972	1.228.785
Two years and more	821.520	1.100.604
	1.578.492	2.329.389

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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:

	30 June 2024	31 December 2023
3 months or less	1.022.117	6.537.320
Between 3-6 months	2.226.642	3.867.009
Between 6-12 months	8.579.434	5.499.063
	11.828.193	15.903.392

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 and long term issued bonds 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 30 June 2024 and 2023.

As of 30 June 2024 and 2023, the Group's net financial debt reconciliation is shown below:

	30 June 2024	30 June 2023
Net financial debt as of 1 January	33.834.458	40.865.947
Cash inflows from loans and issued bonds	44.943.763	17.976.274
Cash outflows from loan and bonds payments	(26.729.390)	(14.839.984)
Changes of lease liabilities	(147.983)	(27.632)
Unrealized exchange gain/loss	1.124.713	5.132.847
Changed interest	(203.669)	(792.698)
Change in cash and cash equivalents	(815.858)	(1.524.249)
Monetary gain / (loss)	(6.811.151)	(7.091.146)
Net financial debt at the end of the period	45.194.883	39.699.359

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NOTE 7 – RELATED PARTY DISCLOSURES

a) Short term trade receivables from related parties

	30 June 2024	31 December 2023
ZES Dijital Ticaret A.Ş. (1)	301.289	31.371
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	397.293	480.693
Other related parties	72.607	57.402
	771.189	569.466

b) Short term trade payables to related parties

	30 June 2024	31 December 2023
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	18.160	21.824
Zorlu Holding A.Ş. (2)	80.473	50.350
Other related parties	161.998	68.186
	260.631	140.360

c) Other short term receivables from related parties

	30 June 2024	31 December 2023
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	977.837	1.109.281
	977.837	1.109.281

As of 30 June 2024, the Company's interest rate of short term other receivables in USD is 9%, and in TL is 55% (31 December 2023: in 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 – 30 JUNE 2024**

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

	30 June 2024	31 December 2023
Zorlu Holding A.Ş. (2)	12.483.803	14.134.384
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	12.722.297	12.547.387
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A. Ş. (4)	9.537.905	9.201.597
	34.744.005	35.883.368

The Company's interest rate of other receivables in USD is 9%, and in TL is 55% (31 December 2023: in USD 8% and TL 50%).

e) Long term prepayments to related parties

	30 June 2024	31 December 2023
Zorlu Enerji Elektrik Üretim A.Ş. (1)	2.438.019	2.347.168
Other	562.041	125.210
	3.000.060	2.472.378

f) Transactions with related parties

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Sales				
ZES Dijital Ticaret A.Ş. (1)	543.115	41.465	147.505	40.703
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	695.028	116.449	277.103	110.732
Other related parties	30.099	29.525	12.747	14.812
	1.268.242	187.439	437.355	166.247

(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 – 30 JUNE 2024**

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

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Operating expenses				
Zorlu Holding A.Ş. (2)	286.644	250.117	154.666	126.342
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	93.034	71.390	44.099	39.955
Other related parties	73.841	89.883	37.213	37.376
	453.519	411.390	235.978	203.673

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Financial income				
Zorlu Holding A.Ş. (2)	2.215.440	4.683.550	508.127	4.171.846
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	2.188.416	4.117.530	278.320	3.563.286
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A.Ş. (4)	1.557.729	2.937.603	206.928	2.565.912
Other related parties	-	592.008	-	480.247
	5.961.585	12.330.691	993.375	10.781.291

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

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Financial expense				
Other related parties	2.512	8.031	432	7.949
	2.512	8.031	432	7.949

(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 – 30 JUNE 2024**

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

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Other income from operating activities				
Other related parties	447.495	527.239	206.567	522.038
Other expense from operating activities				
Other related parties	8.586	8.587	4.353	7.285

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 six months period ended 30 June 2024 is TL 103.943 (1 January - 30 June 2023: TL 123.688).

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	30 June 2024	31 December 2023
Short term trade receivables		
Trade receivables		
- <i>Related parties (Note 7)</i>	771.189	569.466
- <i>Other parties</i>	18.949.906	19.775.297
Cheques and notes receivables	1.268.948	2.124.097
Other	70.485	101.161
	21.060.528	22.570.021
Unearned interest expense (-)		
- <i>Other parties</i>	(143.868)	(177.385)
Allowance for doubtful receivables (-)	(141.025)	(157.570)
Total short term trade receivables	20.775.635	22.235.066
Long term trade receivables		
Cheques and notes receivables	36	1.024
Total long term trade receivables	36	1.024

	30 June 2024	31 December 2023
Short term trade payables		
Trade payables		
- <i>Related parties (Note 7)</i>	260.631	140.360
- <i>Other parties</i>	41.416.459	52.315.727
Other	1.234	7.222
	41.678.324	52.463.309
Unearned interest income (-)		
- <i>Other parties</i>	(102.167)	(117.474)
Total short term trade payables	41.576.157	52.345.835
Long term trade payables		
Trade payables		
- <i>Other parties</i>	160.615	222.245
Total long term trade payables	160.615	222.245

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

	30 June 2024	31 December 2023
Short term other receivables		
Receivables from public institutions	1.009.207	1.394.048
Receivables from related parties (Note 7)	977.837	1.109.281
Deposits and guarantees given	186.273	285.166
Other	30.451	25.260
	2.203.768	2.813.755
Allowance for doubtful receivables (-)	(211)	(278)
	2.203.557	2.813.477
	30 June 2024	31 December 2023
Long term other receivables		
Deposits and guarantees given	27.583	25.716
Receivables from related parties (Note 7)	34.744.005	35.883.368
Other	8.291	26.654
	34.779.879	35.935.738
Allowance for doubtful receivables (-)	(8.279)	(10.326)
	34.771.600	35.925.412
Short term other payables		
Other payables		
- Other parties	336.079	17.670
	336.079	17.670
Deferred revenue		
- Other parties	2.121.621	1.333.601
	2.121.621	1.333.601

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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NOTE 10 – INVENTORIES

	30 June 2024	31 December 2023
Raw materials	17.603.843	14.979.702
Work in process	896.804	719.985
Finished goods	12.221.012	12.638.765
Merchandise	1.096.270	1.390.727
Other	49.218	38.259
	31.867.147	29.767.438
Provision for impairment on inventories (-)	(439.879)	(441.145)
	31.427.268	29.326.293

Cost of the inventory included in the consolidated statement of comprehensive income in the period 1 January – 30 June 2024 is TL 38.162.335 (1 January – 30 June 2023: TL 45.424.821).

As of 30 June 2024, the Group does not have inventories pledged as security for liabilities (31 December 2023: None)

Movement of provision for impairment on inventories is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Opening balance, 1 January	441.145	480.069
Current year additions	86.976	133.318
Realised due to sale of inventory	(46.785)	(18.262)
Currency translation differences	(41.457)	30.188
Balances at 30 June 2024	439.879	625.314

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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NOTE 11 – PREPAID EXPENSES

	30 June 2024	31 December 2023
Prepaid expenses in current assets		
Order advances given	698.291	1.518.429
Prepaid expenses	796.778	371.591
Business advances given	9.526	10.827
	1.504.595	1.900.847
Prepaid expenses in non-current assets		
Advances given for fixed asset purchases	634.373	372.190
Prepaid expenses	329.068	75.374
	963.441	447.564

NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	30 June 2024		31 December 2023	
	%	Amount	%	Amount
Subsidiaries				
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	%23	6.479.140	%23	7.306.043
		6.479.140		7.306.043

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.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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

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%.

The movements of TOGG, which is an investment accounted for using the equity method during the period 1 January – 30 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Balance at 1 January	7.306.043	4.710.345
Shares from profit / (loss)	(811.171)	(109.543)
Shares from other comprehensive income / (expense)	(15.787)	10.298
Capital Increase	55	-
Balances at 30 June 2024	6.479.140	4.611.100

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Currency translation differences	Transfers	30 June 2024
Cost or revaluation						
Land	17.089.096	-	-	(10.575)	-	17.078.521
Land improvements	538.432	-	-	(14.055)	976	525.353
Buildings	12.508.009	14.751	(101)	(183.096)	42.342	12.381.905
Leasehold improvements	1.727.866	3.823	(127)	(5.109)	265	1.726.718
Plant and machinery	41.673.761	676.357	(297.682)	(42.898)	182.243	42.191.781
Motor vehicles	80.184	36	(1.893)	(485)	14	77.856
Furniture and fixtures	7.169.404	84.134	(5.363)	(14.797)	13.351	7.246.729
Other tangible assets	17.250	-	-	-	-	17.250
Construction in progress	2.214.737	920.673	(8.854)	(722)	(243.616)	2.882.218
	83.018.739	1.699.774	(314.020)	(271.737)	(4.425)	84.128.331
Accumulated depreciation						
Land improvements	40.723	13.554	-	(3.944)	-	50.333
Buildings	488.856	419.519	(101)	(51.048)	-	857.226
Leasehold improvements	1.416.979	29.258	(127)	(3.686)	-	1.442.424
Plant and machinery	31.377.053	1.339.113	(289.721)	(60.718)	-	32.365.727
Motor vehicles	63.768	2.712	(974)	(181)	-	65.325
Furniture and fixtures	6.404.288	228.024	(4.303)	(12.783)	-	6.615.226
Other tangible assets	17.250	-	-	-	-	17.250
	39.808.917	2.032.180	(295.226)	(132.360)	-	41.413.511
Net book value	43.209.822					42.714.820

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	30 June 2023
Cost or revaluation						
Land	6.565.669	-	-	9.814	-	6.575.483
Land improvements	571.576	933	-	14.850	-	587.359
Buildings	10.591.287	48.116	-	238.810	35.728	10.913.941
Leasehold improvements	1.602.735	90.600	-	11.413	7.916	1.712.664
Plant and machinery	38.986.536	928.560	(299.815)	129.360	165.027	39.909.668
Motor vehicles	73.497	237	-	1.237	-	74.971
Furniture and fixtures	6.804.774	179.503	(6.651)	41.024	28.581	7.047.231
Other tangible assets	17.247	-	-	-	-	17.247
Construction in progress	4.116.170	1.094.320	-	-	(240.655)	4.969.835
	69.329.491	2.342.269	(306.466)	446.508	(3.403)	71.808.399
Accumulated depreciation						
Land improvements	38.119	16.811	-	4.549	-	59.479
Buildings	530.736	455.307	-	73.807	-	1.059.850
Leasehold improvements	1.349.811	58.401	-	8.520	-	1.416.732
Plant and machinery	29.973.117	1.517.142	(298.598)	95.243	-	31.286.904
Motor vehicles	61.451	3.168	-	645	-	65.264
Furniture and fixtures	6.101.022	238.048	(6.399)	35.958	-	6.368.629
Other tangible assets	17.247	-	-	-	-	17.247
	38.071.503	2.288.877	(304.997)	218.722	-	40.274.105
Net book value	31.257.988					31.534.294

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 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 - 30 June 2024	1 January - 30 June 2023
Cost of sales	1.564.059	2.047.464
Research and development expenses	705.193	787.797
Marketing, selling and distribution expenses	556.017	507.907
General administrative expenses	74.578	124.112
Other operating expense (idle capacity depreciation expense)	11.016	12.932
	2.910.863	3.480.212

30 June 2024	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	17.078.521	-
Buildings and land improvements	-	12.907.258	-
31 December 2023	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	17.089.096	-
Buildings and land improvements	-	13.046.441	-

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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NOTE 14 – RIGHT OF USE ASSETS

	1 January		30 June
	2024	Additions	2024
Cost			
Land and buildings	2.954.522	648.135	3.602.657
Motor vehicles	585.767	19.109	604.876
	3.540.289	667.244	4.207.533
Accumulated amortization			
Land and buildings	1.517.838	330.279	1.848.117
Motor vehicles	486.864	36.208	523.072
	2.004.702	366.487	2.371.189
Net book value	1.535.587		1.836.344
	1 January		30 June
	2023	Additions	2023
Cost			
Land and buildings	2.278.922	425.563	2.704.485
Motor vehicles	542.824	20.338	563.162
	2.821.746	445.901	3.267.647
Accumulated amortization			
Land and buildings	1.164.950	210.287	1.375.237
Motor vehicles	422.760	40.306	463.066
	1.587.710	250.593	1.838.303
Net book value	1.234.036		1.429.344

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

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NOTE 15 – INTANGIBLE ASSETS

	1 January			Currency translation		30 June
	2024	Additions	Disposals	differences	Transfers	2024
Cost						
Rights	748.870	219	-	(4.687)	-	744.402
Development cost	14.902.278	1.148.919	(98.028)	(11.187)	-	15.941.982
Other intangible assets	2.313.161	207.740	(374)	(5.462)	4.425	2.519.490
	17.964.309	1.356.878	(98.402)	(21.336)	4.425	19.205.874
Accumulated amortization						
Rights	629.025	20.288	-	(4.633)	-	644.680
Development cost	10.753.608	408.857	(98.028)	(10.178)	-	11.054.259
Other intangible assets	1.699.826	83.051	-	(5.835)	-	1.777.042
	13.082.459	512.196	(98.028)	(20.646)	-	13.475.981
Net book value	4.881.850					5.729.893

	1 January			Currency translation		30 June
	2023	Additions	Disposals	differences	Transfers	2023
Cost						
Rights	748.754	1.081	-	5.417	-	755.252
Development cost	13.140.418	1.142.741	-	(65.164)	-	14.217.995
Other intangible assets	2.149.862	90.372	(1.119)	683	3.403	2.243.201
	16.039.034	1.234.194	(1.119)	(59.064)	3.403	17.216.448
Accumulated amortization						
Rights	600.111	20.176	-	5.438	-	625.725
Development cost	9.710.378	883.830	-	(4.050)	-	10.590.158
Other intangible assets	1.627.216	36.736	-	137	-	1.664.089
	11.937.705	940.742	-	1.525	-	12.879.972
Net book value	4.101.329					4.336.476

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.

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

	30 June 2024	31 December 2023
Short term provisions		
Warranty and assembly provision	1.548.955	1.484.680
Other provisions	1.983.482	2.127.202
Provision for lawsuit risks	93.934	95.425
	3.626.371	3.707.307
Long term provisions		
Warranty and assembly provision	468.023	435.523
	468.023	435.523

As of 30 June 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 93.935 (31 December 2023: TL 95.425).

b) Guarantees received by the Group**Guarantee letters, collaterals, cheques and notes received**

	30 June 2024	31 December 2023
Guarantee letters	4.965.429	4.554.805
Cheques and notes	2.949.472	2.577.393
Collaterals and pledges	6.407.409	5.602.356
	14.322.310	12.734.554

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees given by the Group.

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

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

CPMB's given by the Group	USD ('000)	EUR ('000)	GBP ('000)	CNY ('000)	TL	TL Equivalent
30 June 2024						
A. CPMB's given on behalf of its own legal entity	509	2.135	-	129.050	4.939.357	5.618.704
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.499.344	188.019	60.401	-	19.189.508	110.513.746
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D. Total amount of other CPMB's given	21.248	-	-	-	16.854	715.601
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.	21.248	-	-	-	16.854	715.601
iii. Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-	-
Total	2.521.101	190.154	60.401	129.050	24.145.719	116.848.051

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

The table above has been prepared based on the lower of the limits used or the amounts of guarantees given regarding the guarantees given by the Group.

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

CPMB's given by the Group	USD ('000)	EUR ('000)	GBP ('000)	CNY ('000)	TL	TL Equivalent
31 December 2023						
A. CPMB's given on behalf of its own legal entity	509	2.135	-	-	3.766.245	3.871.873
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.182.426	148.778	60.346	-	17.639.233	106.810.538
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-	-
D. Total amount of other CPMB's given	36.565	-	-	-	25.072	1.370.145
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	-	-	-	25.072	1.370.145
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	-	21.430.550	112.052.556

As of 30 June 2024, proportion of other CPMB's given by the Group to its equity is 1% (31 December 2023: 3%).

NOTE 17 – COMMITMENTS

As of the balance sheet date the Group has committed to realize exports amounting to 3.110.553 thousand USD (31 December 2023: 3.121.967 thousand USD) due to the export and investment incentive certificates obtained.

As of 30 June 2024, the Group has forward foreign currency purchase contract that amounts to, EUR 285.844 thousand, USD 851.677 thousand, GBP 95.155 thousand and PLN 18.935 thousand, against forward foreign currency sales contract that amounts to EUR 478.066 thousand, GBP 78.362 thousand, PLN 41.034 thousand, RUB 885.280 thousand, USD 412.789 thousand and TL 8.694.950. (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 and CNY 156.580 thousand against forward foreign currency sales contract that amounts to USD 419.731 thousand, EUR 704.294 thousand, GBP 142.433 thousand, PLN 60.525 thousand, RUB 987.000, TL 4.029.267).

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NOTE 18 – EMPLOYEE BENEFITS

Liabilities for employee benefits:

	30 June 2024	31 December 2023
Due to personnel	656.852	637.593
Social security payables	580.799	500.551
	1.237.651	1.138.144

Long term provisions for employee benefits:

	30 June 2024	31 December 2023
Provision for employment termination benefits	1.707.150	1.971.871

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 30 June 2024 (31 December 2023: 23.489,83 TL/year - at 31 December 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:

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NOTE 18 – EMPLOYEE BENEFITS (Cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. 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 30 June 2024 the provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. As of 30 June 2024, provision is calculated based on real discount rate of 3,72% assuming 23,60% annual inflation rate and 49,25% discount rate. (31 December 2023: 23,60% inflation rate, 49,25% real discount rate, 3,72% 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. The maximum liability is revised every six months, the maximum amount of TL 41.828,42 effective from 1 July 2024 has been taken into consideration in the calculation of provision for employment termination benefits as of 31 December 2023 and 30 June 2024.

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

	1 January - 30 June 2024	1 January - 30 June 2023
Balance at 1 January	1.971.871	2.548.571
Increase during the year	124.772	292.022
Payments during the year	(186.416)	(523.117)
Actuarial (gain) /loss	20.109	287.607
Interest expense	175.634	99.044
Monetary gain / (loss)	(398.820)	(419.770)
Balance at 30 June	1.707.150	2.284.357

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NOTE 19 – OTHER ASSETS AND LIABILITIES

	30 June 2024	31 December 2023
Other current assets		
VAT carried forward	103.087	59.563
Rebates from suppliers and incentives income accruals	152.042	175.064
Other	73.673	335.973
	328.802	570.600
	30 June 2024	31 December 2023
Other current liabilities		
Taxes payables	985.983	1.544.802
Other	895.830	1.462.000
	1.881.813	3.006.802

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

	30 June 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 30 June 2024 and 31 December 2023 the shareholding structures are as follows:

	Share		Amount	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Zorlu Holding A.Ş.	%52,77	%55,69	177.019	186.815
Other shareholders (Publicly Listed)	%47,23	%44,31	158.437	148.641
	%100	%100	335.456	335.456

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

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.

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.

	30 June 2024	31 December 2023
Legal reserves	1.563.166	1.563.166

	PPI - Indexed Legal Records	CPI Indexed Amounts	Differences Tracked in Past Years Profits / Losses
Capital Adjustment Gains / Losses	28.911.796	19.434.932	9.476.864
Appropriated Retained Earnings	2.270.632	1.563.166	707.466

e) Revaluation reserve

	30 June 2024	31 December 2023
Fair value gains on financial assets	74.928	75.879
Revaluation of property, plant and equipment	11.221.812	11.277.352
	11.296.740	11.353.231

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NOTE 21 – SALES

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Domestic sales	28.111.779	26.940.706	13.739.935	14.863.396
Export sales	37.349.171	44.702.160	20.046.873	23.114.155
Gross sales	65.460.950	71.642.866	33.786.808	37.977.551
Sales discounts (-)	(5.216.525)	(5.294.867)	(2.413.493)	(2.774.390)
Net sales	60.244.425	66.347.999	31.373.315	35.203.161
Cost of sales	(46.196.474)	(53.314.488)	(23.958.129)	(26.786.772)
Gross profit	14.047.951	13.033.511	7.415.186	8.416.389

NOTE 22 – OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES**a) Other income from operating activities:**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Overdue interest charges	605.749	469.573	333.201	372.570
Foreign exchange gains arising from trading activities	746.596	2.677.144	468.717	2.100.151
Other income	429.525	97.787	30.836	5.624
	1.781.870	3.244.504	832.754	2.478.345

b) Other expense from operating activities:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Interest expense on term purchases	1.100.410	597.203	557.696	325.042
Foreign exchange expenses arising from trading activities	4.140.442	10.729.359	1.131.894	9.448.125
Other expenses	389.818	462.074	164.084	263.934
	5.630.670	11.788.636	1.853.674	10.037.101

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NOTE 23 – FINANCIAL INCOME AND FINANCIAL EXPENSE**a) Financial income:**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange gains	3.679.146	9.894.905	632.436	9.130.583
Gains on derivative financial instruments	495.435	1.877.750	346.417	1.090.834
Interest income	2.359.307	1.745.571	1.121.970	936.253
	6.533.888	13.518.226	2.100.823	11.157.670

b) Financial expense:

	1 January - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2024	1 April - 30 June 2023
Foreign exchange losses	2.583.872	5.767.386	622.707	5.366.513
Losses on derivative financial instruments	1.946.169	3.230.047	1.375.872	2.345.621
Interest expense	4.844.572	3.710.105	2.523.718	2.302.939
Commission and other finance expenses	910.534	623.028	479.371	271.224
	10.285.147	13.330.566	5.001.668	10.286.297

NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	30 June 2024	31 December 2023
Corporation and income taxes	35.394	177.311
Prepaid taxes (-)	(16.500)	(175.078)
Current income tax liabilities - net	18.894	2.233
Deferred tax liabilities	(2.570.164)	(1.587.560)
Deferred tax liabilities - net	(2.570.164)	(1.587.560)

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NOTE 24 – 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.

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 24 – 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 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 15 July 2023 for the same period. As of 15 July 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.

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 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)**Deferred tax assets and liabilities**

For the periods 30 June 2024 and 2023, tax expenses recognized in the statement of comprehensive income are as follows;

	1 January - 30 June 2024	1 January - 30 June 2023
Current period tax expense	(18.371)	(372.636)
Deferred tax income / (loss)	(983.793)	29.991
Total tax expense	(1.002.164)	(342.645)

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 24 – 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		Deferred tax	
	temporary differences			
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
Deferred tax assets / (liabilities)				
Employment termination benefits	(1.707.150)	(1.971.871)	426.788	492.967
Investment incentive	-	-	823.000	925.258
Warranty provision	(2.016.978)	(1.920.203)	504.245	480.051
Provision for doubtful receivables	(141.025)	(157.570)	35.256	39.392
Net difference between book values and tax bases of property, plant and equipment and intangible asset	22.814.846	22.427.862	(4.607.264)	(4.261.983)
Net difference between book values and tax bases of inventories	2.516.932	2.235.838	(629.233)	(558.959)
Provision for derivative instruments	(372.434)	(547.902)	93.109	136.976
R&D incentives	-	-	1.131.303	1.089.893
Other	1.389.472	(275.369)	(347.368)	68.845
Deferred tax assets / (liabilities) - net			(2.570.164)	(1.587.560)

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

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

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NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

As of 30 June 2024, the tax advantage amounting to TL 823.000 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 3.476.712 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 24.965.

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 - 30 June 2024	1 January - 30 June 2023
Opening balance, 1 January	(1.587.560)	(20.357)
Tax expense recognized in income statement	(983.793)	29.991
Recognized in other comprehensive income	(133.141)	(459)
Currency translation differences	134.330	311.125
Deferred tax liabilities at the end of the period, net	(2.570.164)	320.300

NOTE 25 – (LOSS) / EARNINGS PER SHARE

	1 January - 30 June 2024	1 January - 30 June 2023
Net income / (loss) attributable to equity holders of the parent	(1.195.296)	(2.523.249)
Weighted number of ordinary shares with a Kr 1 of par value (hundred shares)	33.545.600	33.545.600
Loss per share	(0,0356)	(0,0752)

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NOTE 26 – DERIVATIVE INSTRUMENTS

	30 June 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	6.813.803	59.443	11.409.072	173.802
Cash flow hedge				
Forward foreign currency transactions	13.584.920	255.405	9.605.990	59.584
<u>Derivative financial liabilities:</u>				
Held for trading				
Forward foreign currency transactions	20.222.374	(649.342)	12.817.503	(201.132)
Cash flow hedge				
Forward foreign currency transactions	1.474.758	(37.940)	22.013.334	(580.156)
	42.095.855	(372.434)	55.845.899	(547.902)

NOTE 27 – 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 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD	EUR	Other	
	(Thousand)	(Thousand)	(TL Equivalent)	TL Equivalent
30 June 2024				
1. Trade receivables	72.480	248.221	917.144	12.015.994
2a. Monetary financial assets (including cash and cash equivalents)	73.702	4.778	85.985	2.673.185
2b. Non-monetary financial assets	-	-	-	-
3. Other	73.634	940	-	2.450.145
4. Current assets (1+2+3)	219.816	253.939	1.003.129	17.139.324
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	925.343	51	-	30.377.286
8. Non-current assets (5+6+7)	925.343	51	-	30.377.286
9. Total assets (4+8)	1.145.159	253.990	1.003.129	47.516.610
10. Trade payables	768.322	223.227	93.853	33.216.090
11. Financial liabilities	361.410	138.983	689.182	17.465.306
12a. Other monetary liabilities	-	1.334	-	46.946
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	1.129.732	363.544	783.035	50.728.342
14. Trade payables	-	4.564	-	160.615
15. Financial liabilities	458.413	7.267	-	15.330.787
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	458.413	11.831	-	15.491.402
18. Total liabilities (13+17)	1.588.145	375.375	783.035	66.219.744
19. Off-balance sheet derivative instruments	-	-	-	-
net asset / (liability) position (19a+19b) (*)	438.888	(192.222)	177.586	7.777.503
19a. Hedged total assets	851.677	285.844	4.097.314	42.095.876
19b. Hedged total liabilities	(412.789)	(478.066)	(3.919.728)	(34.318.373)
20. Net foreign currency asset/ (liability) position (9-18+19)	(4.098)	(313.607)	397.680	(10.925.631)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(442.986)	(121.385)	220.094	(18.703.134)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(372.434)
23. Export	197.455	678.149	2.778.699	37.349.171
24. Import	653.822	91.921	42.921	24.778.910

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

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NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD	EUR	Other	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	15.061.856
2a. Monetary financial assets (including cash and cash equivalents)	-	-	-	-	-
	27.790	8.261	2.081	1.089.263	1.358.687
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	68.685	893	-	2.051.052	2.558.372
4. Current assets (1+2+3)	189.013	247.867	1.577.236	15.215.439	18.978.915
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	18.643	3.115	-	650.277	811.120
7. Other	819.838	51	-	24.136.218	30.106.212
8. Non-current assets (5+6+7)	838.481	3.166	-	24.786.495	30.917.334
9. Total assets (4+8)	1.027.494	251.033	1.577.236	40.001.934	49.896.248
10. Trade payables	857.466	187.826	154.204	31.571.227	39.380.241
11. Financial liabilities	345.908	118.528	599.569	14.668.741	18.296.994
12a. Other monetary liabilities	80	1.415	-	48.528	60.531
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	1.203.454	307.769	753.773	46.288.497	57.737.766
14. Trade payables	-	5.460	-	178.174	222.245
15. Financial liabilities	15.690	16.633	-	1.005.474	1.254.174
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	15.690	22.093	-	1.183.648	1.476.418
18. Total liabilities (13+17)	1.219.144	329.862	753.773	47.472.145	59.214.186
19. Off-balance sheet derivative instruments	-	-	-	-	-
net asset / (liability) position (19a+19b)	649.071	(476.750)	108.175	3.692.531	4.605.863
19a. Hedged total assets	1.068.802	227.544	5.896.185	44.841.898	55.933.357
19b. Hedged total liabilities	(419.731)	(704.294)	(5.788.010)	(41.149.367)	(51.327.494)
20. Net foreign currency asset/ (liability) position (9-18+19)	457.421	(555.579)	931.638	(3.777.680)	(4.712.073)
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)	(10.129.056)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(439.254)	(547.902)
23. Export	541.555	1.533.534	9.851.005	76.246.912	95.106.272
24. Import	1.404.462	207.252	542.079	39.158.737	48.844.490

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 30 June 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
30 June 2024				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(1.463.540)	1.463.540	(1.463.540)	1.463.540
Secured portion from USD risk (-)	407.430	(407.430)	696.637	(696.637)
USD net effect	(1.056.110)	1.056.110	(766.903)	766.903
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(428.781)	428.781	(428.781)	428.781
Secured portion from EUR risk (-)	260.856	(260.856)	(221.405)	221.405
EUR net effect	(167.925)	167.925	(650.186)	650.186
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	22.009	(22.009)	22.009	(22.009)
Secured portion from other currency risk (-)	49.338	(49.338)	261.299	(261.299)
Other currency net effect	71.347	(71.347)	283.308	(283.308)

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD****1 JANUARY – 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 June 2024 unless otherwise stated.)

NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	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	(711.804)	711.804	(711.804)	711.804
Secured portion from USD risk (-)	6.490	(6.490)	925.354	(925.354)
USD net effect	(705.314)	705.314	213.550	(213.550)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(322.703)	322.703	(322.703)	322.703
Secured portion from EUR risk (-)	197.849	(197.849)	(1.245.924)	1.245.924
EUR net effect	(124.854)	124.854	(1.568.627)	1.568.627
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	102.714	(102.714)	102.714	(102.714)
Secured portion from other currency risk (-)	249.303	(249.303)	759.595	(759.595)
Other currency net effect	352.017	(352.017)	862.309	(862.309)

NOTE 28 – SUBSEQUENT EVENTS

None.