

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

**CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS AS OF MARCH 31, 2022**

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

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**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED INTERIM BALANCE SHEET AS AT MARCH 31, 2022**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

| <b>ASSETS</b>                           | <b>Dipnot</b> | <b>Unaudited</b>     | <b>Audited</b>          |  |
|---|---------------|----------------------|-------------------------|--|
|   |               | <b>31 March 2022</b> | <b>31 December 2021</b> |  |
| <b>CURRENT ASSETS</b>                   |               |                      |                         |  |
|   |               |                      |                         |  |
| Cash And Cash Equivalents               | 4             | 101.951.347          | 111.399.760             |  |
| Trade Receivables                       |               | 324.309.982          | 231.159.375             |  |
| <i>Due From Related Parties</i>         | 3-5           | 2.833.243            | 3.269.791               |  |
| <i>Trade Receivables, Third Parties</i> | 5             | 321.476.739          | 227.889.584             |  |
| Other Receivables                       |               | 1.196.855            | 1.564.013               |  |
| <i>Due From Related Parties</i>         | 3-6           | 960.251              | 943.171                 |  |
| <i>Other Receivables, Third Parties</i> | 6             | 236.604              | 620.842                 |  |
| Inventories                             | 8             | 904.249.718          | 668.116.135             |  |
| Prepaid Expenses                        | 9             | 157.352.140          | 85.230.518              |  |
| Other Current Assets                    | 7             | 240.337.619          | 169.705.833             |  |
| <b>TOTAL CURRENT ASSETS</b>             |               | <b>1.729.397.661</b> | <b>1.267.175.634</b>    |  |
| <b>NON-CURRENT ASSETS</b>               |               |                      |                         |  |
|   |               |                      |                         |  |
| Financial Investments                   | 10            | 317.855              | 1.000                   |  |
| Other Receivables                       |               | 2.294.414            | 2.351.374               |  |
| <i>Due From Related Parties</i>         | 3-6           | --                   | --                      |  |
| <i>Other Receivables, Third Parties</i> | 6             | 2.294.414            | 2.351.374               |  |
| Investment Properties                   | 11            | 28.232.417           | 28.232.417              |  |
| Tangible Fixed Assets                   | 12            | 742.234.812          | 725.296.572             |  |
| Right of Use Assets                     | 12            | 112.078.345          | 65.427.997              |  |
| Intangible Fixed Assets                 | 13            | 49.378.919           | 42.536.836              |  |
| Prepaid Expenses                        | 9             | 10.824.610           | 23.741.483              |  |
| Deferred Tax Assets                     | 30            | 46.457.545           | 41.723.509              |  |
| <b>TOTAL NON-CURRENT ASSETS</b>         |               | <b>991.818.917</b>   | <b>929.311.188</b>      |  |
| <b>TOTAL ASSETS</b>                     |               | <b>2.721.216.578</b> | <b>2.196.486.822</b>    |  |

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

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED INTERIM BALANCE SHEET AS AT MARCH 31, 2022**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

| <b>LIABILITIES</b>  | <b>Note</b> | <b>Unaudited</b>     | <b>Audited</b>          |  |
|---|-------------|----------------------|-------------------------|--|
|   |             | <b>31 March 2022</b> | <b>31 December 2021</b> |  |
| <b>CURRENT LIABILITIES</b>  |             |                      |                         |  |
|   |             |                      |                         |  |
| Financial Liabilities   | 14          | 234.798.178          | 60.034.142              |  |
| Short Term Portion Of Long Term Financial Liabilities               | 14          | 138.682.418          | 130.085.220             |  |
| Lease Payables  | 14          | 49.969.598           | 29.484.821              |  |
| Trade Payables  |             | 616.096.840          | 484.358.567             |  |
| <i>Due To Related Parties</i>                                       | 3-5         | --                   | --                      |  |
| <i>Trade Payables, Third Parties</i>                                | 5           | 616.096.840          | 484.358.567             |  |
| Employee Benefit Obligations  | 15          | 35.100.707           | 29.196.472              |  |
| Other Payables  |             | 742.476              | 781.202                 |  |
| <i>Due To Related Parties</i>                                       | 3-6         | --                   | --                      |  |
| <i>Other Payables, Third Parties</i>                                | 6           | 742.476              | 781.202                 |  |
| Deferred Income   | 16          | 165.153.991          | 124.849.739             |  |
| Current Income Tax Liabilities                                      | 30          | 23.223.826           | 21.599.995              |  |
| Provisions  | 17          | 4.241.817            | 4.145.722               |  |
| Other Current Liabilities   | 7           | 9.725.184            | 5.861.925               |  |
| <b>TOTAL CURRENT LIABILITIES</b>                                    |             | <b>1.277.735.035</b> | <b>890.397.805</b>      |  |
| <b>NON-CURRENT LIABILITIES</b>                                      |             |                      |                         |  |
| Financial Liabilities   | 14          | 166.679.755          | 149.776.367             |  |
| Lease Payables  | 14          | 72.232.881           | 45.806.230              |  |
| Provisions  |             | 16.243.704           | 16.291.703              |  |
| <i>Provision For Employee Benefits</i>                              | 18          | 16.243.704           | 16.291.703              |  |
| Deferred Tax Liabilities  | 30          | 94.120.858           | 87.331.442              |  |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                                |             | <b>349.277.198</b>   | <b>299.205.742</b>      |  |
| <b>EQUITY</b>   |             |                      |                         |  |
| Paid-In Capital   | 20          | 149.798.932          | 149.798.932             |  |
| Buy-Back Shares (-)   | 20          | (36.439.256)         | (36.015.309)            |  |
| Other Comprehensive Income Not To Be Reclassified To Profit Or Loss |             | 356.448.062          | 354.362.729             |  |
| <i>Gains/ Losses On Revaluation And Remeasurement</i>               | 20          | 353.490.398          | 353.490.398             |  |
| <i>Actuarial Gain/Loss Arising From Defined Benefit Plans</i>       | 20          | 2.957.664            | 872.331                 |  |
| Other Comprehensive Income To Be Reclassified To Profit Or Loss     |             | (8.966.072)          | (7.083.800)             |  |
| <i>Currency Translation Differences</i>                             | 20          | (8.966.072)          | (7.083.800)             |  |
| Restricted Reserves   | 20          | 58.275.586           | 49.650.743              |  |
| Retained Earnings   | 20          | 488.359.847          | 240.113.597             |  |
| Net Income For The Period   |             | 86.727.246           | 256.056.383             |  |
| <b>EQUITY HOLDERS OF THE PARENT</b>                                 |             | <b>1.094.204.345</b> | <b>1.006.883.275</b>    |  |
| <b>TOTAL LIABILITIES</b>  |             | <b>2.721.216.578</b> | <b>2.196.486.822</b>    |  |

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

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED AT 1 JANUARY-31 MARCH 2022 AND 2021**

(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

| <b>INCOME/LOSS</b>   | <b>Note</b> | <b>Unaudited</b>                     | <b>Unaudited</b>                     |
|--|-------------|--------------------------------------|--------------------------------------|
|  |             | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
| Revenue  | 21          | 1.133.007.614                        | 529.770.058                          |
| Cost Of Sales (-)  | 22          | (778.065.327)                        | (348.555.031)                        |
| <b>Gross profit</b>  |             | <b>354.942.287</b>                   | <b>181.215.027</b>                   |
| General Administrative Expenses (-)  | 23          | (26.820.724)                         | (17.524.038)                         |
| Marketing, Selling And Distribution Expenses (-)                                       | 23          | (200.287.694)                        | (106.708.198)                        |
| Research And Development Expenses (-)  | 23          | (3.360.207)                          | (1.634.952)                          |
| Other Income From Operating Activities   | 24          | 82.045.457                           | 44.447.286                           |
| Other Expenses From Operating Activities   | 25          | (71.291.134)                         | (42.171.099)                         |
| <b>Operating Profit / Loss</b>   |             | <b>135.227.985</b>                   | <b>57.624.026</b>                    |
| Income From Investment Activities  | 26          | 572.623                              | 258.899                              |
| <b>OPERATING INCOME BEFORE FINANCIAL INCOME</b>  |             | <b>135.800.608</b>                   | <b>57.882.925</b>                    |
| Financial Expenses (-)   | 29          | (33.394.512)                         | (19.967.548)                         |
| Financial Income   | 28          | 9.042.365                            | 13.707.901                           |
| <b>PROFIT BEFORE TAX</b>   |             | <b>111.448.461</b>                   | <b>51.623.278</b>                    |
| <b>Tax income/(expense)</b>  |             | <b>(24.721.215)</b>                  | <b>(4.488.155)</b>                   |
| Taxes On Income  | 30          | (23.254.005)                         | (5.752.627)                          |
| Deferred Tax Income/(Expense)  | 30          | (1.467.210)                          | 1.264.472                            |
| <b>PERIOD PROFIT / LOSS</b>  |             | <b>86.727.246</b>                    | <b>47.135.123</b>                    |
| <b>Earnings Per Share</b>  |             |                                      |                                      |
| Earnings Per Share (Kr)  | 31          | 0,578958                             | 0,314656                             |
| <b>OTHER COMPREHENSIVE INCOME</b>  |             |                                      |                                      |
| <b>Other Comprehensive Income/Expense Not To Be<br/>Reclassified To Profit Or Loss</b> |             | <b>2.085.334</b>                     | <b>2.404.782</b>                     |
| Actuarial Gain/Loss Arising From Defined Benefit Plans                                 | 18          | 2.673.505                            | 3.083.054                            |
| <b>Tax Income/(Expense)</b>  |             | <b>(588.171)</b>                     | <b>(678.272)</b>                     |
| Deferred Tax (Expense) Income  | 30          | (588.171)                            | (678.272)                            |
| <b>Other Comprehensive Income/Loss To Be Reclassified To<br/>Profit Or Loss</b>        |             | <b>(1.882.272)</b>                   | <b>(593.672)</b>                     |
| Currency Translation Differences   |             | (1.882.272)                          | (593.672)                            |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>   |             | <b>203.062</b>                       | <b>1.811.110</b>                     |
| <b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>   |             | <b>86.930.308</b>                    | <b>48.946.233</b>                    |

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**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 1 JANUARY – 31 MARCH 2022 AND 2021**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

|  |  | Other Comprehensive Income/Expense Not To Be Reclassified To Profit Or Loss |                     | Other Comprehensive Income/Loss To Be Reclassified To Profit Or Loss |  |                                  |                     |                    |                           |                      |
|--|--|---|---------------------|--|--|----------------------------------|---------------------|--------------------|---------------------------|----------------------|
|  |  | Paid In Capital   | Buy-Back Shares     | Gains/ Losses On Revaluation And Remeasurement                       | Actuarial Gain/Loss Arising From Defined Benefit Plans | Currency Translation Differences | Restricted Reserves | Retained Earnings  | Net Income For The Period | Total Equity         |
|  |  | (Note 20)   | (Note 20)           | (Note 20)  | (Note 20)  | (Note 20)                        | (Note 20)           | (Note 20)          | (Note 20)                 | (Note 20)            |
| <b>Balance at 1 January 2021</b>         |  | <b>149.798.932</b>  | <b>(25.429.007)</b> | <b>78.924.196</b>  | <b>(2.638.876)</b>                                     | <b>(1.647.046)</b>               | <b>39.064.441</b>   | <b>121.511.381</b> | <b>170.075.044</b>        | <b>529.659.065</b>   |
| Adjustment on errors                     |  | --  | (2.241.282)         | --   | --   | --                               | 2.241.282           | (2.241.282)        | --                        | (2.241.282)          |
| Buy-Back Shares                          |  | --  | --                  | --   | --   | --                               | --                  | 170.075.044        | (170.075.044)             | --                   |
| Transfer From Retained Profit            |  | --  | --                  | --   | --   | --                               | --                  | --                 | 47.135.123                | 47.135.123           |
| Period Profit / Loss (Net)               |  | --  | --                  | --   | 2.404.782  | (593.672)                        | --                  | --                 | --                        | 1.811.110            |
| Other Comprehensive Income               |  | --  | --                  | --   | --   | --                               | --                  | (695.338)          | --                        | (695.338)            |
| <b>Balance at 31 March 2021</b>          |  | <b>149.798.932</b>  | <b>(27.670.289)</b> | <b>78.924.196</b>  | <b>(234.094)</b>                                       | <b>(2.240.718)</b>               | <b>41.305.723</b>   | <b>288.649.805</b> | <b>47.135.123</b>         | <b>575.668.678</b>   |
|  |  |   |                     |  |  |                                  |                     |                    |                           |                      |
| <b>Balance at 1 January 2022</b>         |  | <b>149.798.932</b>  | <b>(36.015.309)</b> | <b>353.490.398</b>   | <b>872.331</b>   | <b>(7.083.800)</b>               | <b>49.650.743</b>   | <b>240.113.597</b> | <b>256.056.383</b>        | <b>1.006.883.275</b> |
| Previous Tax Adjustments                 |  | --  | --                  | --   | --   | --                               | --                  | 814.710            | --                        | 814.710              |
| Buy-Back Shares                          |  | --  | (423.947)           | --   | --   | --                               | 423.947             | (423.947)          | --                        | (423.947)            |
| Transfer From Retained Profit            |  | --  | --                  | --   | --   | --                               | 8.200.896           | 247.855.487        | (256.056.383)             | --                   |
| Period Profit / Loss (Net)               |  | --  | --                  | --   | --   | --                               | --                  | --                 | 86.727.246                | 86.727.246           |
| Other Comprehensive Income               |  | --  | --                  | --   | 2.085.333  | (1.882.272)                      | --                  | --                 | --                        | 203.061              |
| Due to Other Changes Increase / Decrease |  | --  | --                  | --   | --   | --                               | --                  | --                 | --                        | --                   |
| <b>Balance at 31 March 2022</b>          |  | <b>149.798.932</b>  | <b>(36.439.256)</b> | <b>353.490.398</b>   | <b>2.957.664</b>                                       | <b>(8.966.072)</b>               | <b>58.275.586</b>   | <b>488.359.847</b> | <b>86.727.246</b>         | <b>1.094.204.345</b> |

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

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED AT 1 JANUARY - 31 MARCH 2022 AND 2021**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

| A. Cash Flow From Operating Activities :  | Note     | <i>Unaudited</i>             | <i>Unaudited</i>             |
|---|----------|------------------------------|------------------------------|
|   |          | 1 January –<br>31 March 2022 | 1 January –<br>31 March 2021 |
| <b>Profit / (Loss) Of The Period</b>  |          | <b>86.727.246</b>            | <b>47.135.123</b>            |
| <b>Adjustments Related To Reconciliation Of Profit/(Loss)</b>   |          |                              |                              |
| Adjustments Related To The Increase/Decrease In Amortization And Depreciation   | 11-12-13 | 23.640.414                   | 20.041.729                   |
| Adjustment To Interest Income (Expenses)  |          | (16.896.202)                 | 10.910.146                   |
| - <i>Adjustment To Unearned Interest On Receivables</i>   | 5-24     | 10.844.995                   | 16.504.074                   |
| - <i>Adjustment To Unearned Interest On Payables</i>  | 5-25     | (32.199.346)                 | (12.303.662)                 |
| - <i>Adjustment To Interest Expenses</i>  | 14       | 1.872.562                    | 3.465.056                    |
| - <i>Adjustments for Interest Expenses from Leases</i>  | 14       | 2.585.721                    | 3.322.759                    |
| - <i>Adjustments for Interest Income</i>  | 28       | (134)                        | (78.081)                     |
| Adjustment To Provision   |          | 3.237.972                    | 1.023.033                    |
| - <i>Adjustments Related To Provision (Reversal) For Employee Benefits</i>  | 18       | 2.625.506                    | 805.908                      |
| - <i>Adjustment To Provision For Lawsuits</i>   | 17       | 612.466                      | 217.125                      |
| Other adjustments   | 5        | (1.569.610)                  | (294.852)                    |
| Adjustment To Tax Income (Expenses)   | 30       | 24.721.215                   | 4.488.155                    |
|   |          | <b>119.861.035</b>           | <b>83.303.334</b>            |
| <b>Changes In Operating Assets And Liabilities</b>  |          |                              |                              |
| Changes In Trade Receivables  | 3-5      | (102.425.992)                | (46.222.808)                 |
| Changes In Other Receivables  | 6        | 441.198                      | (797.930)                    |
| Changes In Other Assets   | 7        | (70.631.786)                 | (23.822.427)                 |
| Changes In Inventories  | 8        | (236.133.583)                | (61.969.917)                 |
| Changes In Prepaid Expenses   | 9        | (59.204.749)                 | (17.012.959)                 |
| Changes In Trade Payables   | 5        | 163.937.619                  | (39.056.871)                 |
| Changes In Other Payables   | 6        | (38.726)                     | 2.176                        |
| Changes In Employee Benefit Liabilities   | 15       | 5.904.235                    | 1.774.467                    |
| Changes In Other Liabilities  | 7        | 3.346.888                    | (2.724.343)                  |
| Changes In Deferred Income  | 16       | 40.304.252                   | 21.957.099                   |
| Taxes Returns (Payments)  | 30       | (21.630.174)                 | (19.744.926)                 |
| Interest Paid   | 29       | 13.760.703                   | 277.117                      |
| Interest Received   | 28       | (590.659)                    | (1.031.431)                  |
| Changes In Other  |          | 518.460                      | (695.338)                    |
| <b>Total</b>  |          | <b>(142.581.279)</b>         | <b>(105.764.757)</b>         |
| <b>B. Cash Flow From Investing Activities</b>   |          |                              |                              |
| Cash Inflows From Sales Of Tangible And Intangible Assets   |          | 40.467                       | 765.790                      |
| - <i>Cash Inflows From Sales Of Tangible Assets</i>   | 12       | 40.467                       | 765.790                      |
| Cash Outflows From Purchases Of Tangible And Intangible Non-Current Assets  |          | (40.316.201)                 | (33.519.987)                 |
| - <i>Cash Outflows From Purchases Of Intangible Assets</i>  | 12       | (30.019.054)                 | (32.409.611)                 |
| - <i>Cash Outflows From Purchases Of Intangible Assets</i>  | 13       | (10.297.147)                 | (1.110.376)                  |
| Collections From Advances Given   |          | (17.080)                     | (440.990)                    |
| - <i>Collections From Related Parties</i>   | 6        | (17.080)                     | (440.990)                    |
| <b>Total</b>  |          | <b>(40.292.814)</b>          | <b>(33.195.187)</b>          |
| <b>C. Cash Flow From Financial Activities</b>   |          |                              |                              |
| Cash Inflows / (Outflows) From Borrowings   | 14       | 321.237.937                  | 12.904.301                   |
| Cash Outflows From Payables   |          | (132.336.128)                | (39.549.996)                 |
| - <i>Cash Outflows Regarding Financial Borrowings Repayments</i>  | 14       | (122.845.877)                | (28.532.739)                 |
| - <i>Cash Outflows Related to From Leases</i>   | 14       | (9.490.251)                  | (11.017.257)                 |
| Interest Paid   | 29       | (13.760.703)                 | (277.117)                    |
| Interest Received   | 28       | 590.659                      | 1.031.431                    |
| Cash Outflows Related To Buy-Back Shares  | 20       | (423.947)                    | (2.241.282)                  |
| <b>Total</b>  |          | <b>175.307.818</b>           | <b>(28.132.663)</b>          |
| <b>Foreign Currency Translation Differences of Cash and Cash Equivalents Before Effect of Net Increase / Decrease (A + B + C)</b> |          | <b>(7.566.275)</b>           | <b>(167.092.607)</b>         |
| <b>D. The Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents</b>                                     | 20       | <b>(1.882.272)</b>           | <b>(593.672)</b>             |
| <b>Net Increase in Cash And Cash Equivalents in / Decrease (A + B + C + D)</b>  |          | <b>(9.448.547)</b>           | <b>(167.686.279)</b>         |
| <b>E. Beginning Of The Period Cash And Cash Equivalents</b>   | 4        | <b>111.399.760</b>           | <b>296.601.025</b>           |
| <b>Cash And Cash Equivalents At The End Of The Period (A+B+C+D+E)</b>   |          | <b>101.951.213</b>           | <b>128.914.746</b>           |

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022  
(Currency - Turkish Lira unless expressed otherwise.)  
(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS, ORIGINALLY ISSUED IN TURKISH)

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## NOTE 1 – ORGANIZATION OF THE GROUP

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi (“Parent Company”) and its subsidiaries are referred as “Group” on the notes to the consolidated financial statements.

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

### **Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi**

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

For the period ended at 31 March 2022, 3.325 personnel are employed at the Company (31 March 2021: 2.876).

Company registered on the Kayseri Chamber of Industry with the number of 14222 and its legal address Organize Sanayi Bölgesi 18. Cadde No:6 Melikgazi / Kayseri. The Company’s operating activities located on the Turkey. The Company has 95 stores located on Turkey.

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

Company’s shareholding structure is mentioned in Note 20.

### **Yatas International GMBH**

Yatas International Gmbh (“Yatas International”) was established in 10.07.2015 in Germany. The Company’s engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture.

For the period ended at 31 March 2022, 11 personnel are employed by the Company (31 December 2021: 8 Personnel). Yatas International’s shareholding structure as of 31 March 2022 in EUR are as following;

| Shareholders                              | 31 March 2022    |                    | 31 March 2021    |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | Share Percentage | Share Amount (EUR) | Share Percentage | Share Amount (EUR) |
| Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş. | %100.00          | 100.000            | %100.00          | 100.000            |
| <b>Total</b>                              | <b>%100.00</b>   | <b>100.000</b>     | <b>%100.00</b>   | <b>100.000</b>     |

### **Yatas Rus Ltd.**

Yatas Rus Limidet Şirketi (“Yatas Rus”), was established in 03.07.2019 in Russia. The Company’s engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture. For the period ended at 31 March 2022, 9 personnel are employed by the Yatas Rus. Yatas Rus’s shareholding structure as of (31 December 2021: 7 Personnel).

31 March 2022 in RUBLE is as following;

| Shareholders                              | 31 March 2022    |                    | 31 March 2021    |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | Share Percentage | Share Amount (RUB) | Share Percentage | Share Amount (RUB) |
| Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş. | %100.00          | 3.500.000          | %100.00          | 3.500.000          |
| <b>Total</b>                              | <b>%100.00</b>   | <b>3.500.000</b>   | <b>%100.00</b>   | <b>3.500.000</b>   |

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**EnzaHome International Inc.**

EnzaHome International Inc. ("EnzaHome"), was established in 21.02.2020 in ABD. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture. For the period ended at 31 March 2022, 4 personnel are employed by the EnzaHome. EnzaHome's shareholding structure as of (31 December 2021: 2 Personnel).

31 March 2022 in USD is as following;

| Shareholders                              | 31 March 2022    |                    | 31 March 2021    |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | Share Percentage | Share Amount (USD) | Share Percentage | Share Amount (USD) |
| Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş. | %100.00          | 50.000             | %100.00          | 50.000             |
| <b>Total</b>                              | <b>%100.00</b>   | <b>50.000</b>      | <b>%100.00</b>   | <b>50.000</b>      |

**NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**2.a. Basis of Presentation**

**Compatibility Statement**

The consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Financial Reporting Standards (TFRS) issued by Public Oversight Accounting and Auditing Standards Authority (POAASA). TFRS contains Turkish Financial Reporting Standards (TFRS) and its addendum and interpretations. The consolidated financial statements of the Group are prepared as per the CMB announcement of 15 April 2019 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

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

**Going Concern**

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

**Approval of Consolidated Financial Statements**

Consolidated financial statements of the Group are approved by the Board of Directors and granted authority to publish on June 7, 2021. With no intention, the Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

### **Financial Statements Correction in High Inflation Period**

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

#### **Currency**

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

### **Subsidiaries Operating in Countries Other Than Turkey's Financial Statements**

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

#### **Offsetting**

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

#### **Basis of Consolidation**

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

#### **Complete Consolidation Method**

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

- The financial statements of the consolidated subsidiaries have been equipped according to the accounting principles of the Parent Company.
- The share of the Parent Company in the shareholders equity of subsidiaries is eliminated from the financial of subsidiaries these are adjusted according to the accounting principles of financials of the Parent Company.
- The income statements of the Parent Company and the subsidiaries are consolidated a line by line basis and the transaction between companies are eliminated mutually. Consolidation of income statements of

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subsidiaries held in an audit period are based on the investment date and the items after the holding date are included.

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

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

As of 31 March 2021 the Company that are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company are as below;

| <b>Subsidiaries</b>         | <b>Ownership of the Parent Company</b> | <b>Minority Interest</b>  |
|-----------------------------|--|---------------------------|
| <b>Subsidiaries</b>         | <b>(Direct)</b>                        | <b>(Direct+ Indirect)</b> |
| Yatas International GmbH    | 100.00%                                | 100.00%                   |
| Yatas Rus Limidet           | 100.00%                                | 100.00%                   |
| EnzaHome International Inc. | 100.00%                                | 100.00%                   |

## 2.b. New and Revised Turkish Financial Reporting Standards

- a) **The new standards, amendments to published standards and interpretations effective applicable for the current period:**

|   |  |
|---|--|
| Amendments to TFRS 3                    | <i>Definition of a Business</i>                                      |
| Amendments to TAS 1 and TAS 8           | <i>Definition of Material</i>  |
| Amendments to TFRS 9, TAS 39 and TFRS 7 | <i>Interest Rate Benchmark Reform</i>                                |
| Amendments to TFRS 16                   | <i>COVID-19 Related Rent Concessions</i>                             |
| Amendments to Conceptual Framework      | <i>Amendments to References to the Conceptual Framework in TFRSs</i> |

### Amendments to TFRS 3 Definition of a Business

The definition of "business" is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of "business" in TFRS 3 Business Combinations standard has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

### Amendments to TAS 1 and TAS 8 Definition of Material

The amendments in Definition of Material (Amendments to TAS 1 and TAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

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### **Amendments to TFRS 9, TAS 39 and TFRS 7 Interest Rate Benchmark Reform**

The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

### **Amendments to TFRS 16 COVID-19 Related Rent Concessions**

The changes in COVID-19 Related Rent Concessions (Amendment to TFRS 16) brings practical expedient which allows a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2020 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2020 and increased lease payments that extend beyond 30 June 2020); and
- there are no substantive changes to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

### **Amendments to References to the Conceptual Framework in TFRS**

The references to the Conceptual Framework revised the related paragraphs in TFRS 2, TFRS 3, TFRS 6, TFRS 14, TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS Interpretation 12, TFRS Interpretation 19, TFRS Interpretation 20, TFRS Interpretation 22, and SIC-32. The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

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

##### **The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

##### **i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:**

##### **Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16**

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021.

### Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

### Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

### Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

### Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as; How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

The amendments did not have a significant impact on the financial position or performance of the Group.

### Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity.

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**ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

**Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

**Amendments to TFRS 3 – Reference to the Conceptual Framework**

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (2018 Version).

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Amendments to TAS 16 – Proceeds before intended use**

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for the first time adopters.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

#### **TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

#### **Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity.

#### **Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

## Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

## Annual Improvements – 2018–2022 Cycle

In March 2022, the POA issued Annual Improvements to TFRS Standards 2018–2022 Cycle, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:* The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities:* The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- *TAS 41 Agriculture – Taxation in fair value measurements:* The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

## 2.c. Changes in Accounting Policies

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

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## 2.d. Changes in Accounting Estimates and Errors

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

### Comparative Information and Previous Periods Adjustments

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

## 2.e. Summary of Significant Accounting Policies

### Cash and Cash Equivalents

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

### Financial Instruments

#### *Classification and Measurement*

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

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

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

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

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

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

| <b>Financial assets</b>      | <b>Classification under TAS 39</b> | <b>Classification under TFRS 9</b> |
|------------------------------|------------------------------------|------------------------------------|
| Cash and cash equivalents    | Loans and receivables              | Amortised cost                     |
| Trade receivables            | Loans and receivables              | Amortised cost                     |
| Financial investments        | Fair value through profit or loss  | Fair value through profit or loss  |
| <b>Financial liabilities</b> | <b>Classification under TAS 39</b> | <b>Classification under TFRS 9</b> |
| Borrowings                   | Amortised cost                     | Amortised cost                     |
| Trade payables               | Amortised cost                     | Amortised cost                     |

*Impairment*

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

*Trade Receivables*

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

**Buy-Back Shares**

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

**Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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All of the other borrowing costs are recorded in the income statement in the period in which they are incurred. For the periods ended there is no capitalized borrowing cost.

### **Inventories**

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

### **Tangible Fixed Assets and Amortisations**

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

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

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

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

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

### **Intangible Fixed Assets**

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

### **Investment Property**

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

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

## TFRS 16 Leases

### The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

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

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

### Right of use asset

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

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

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

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

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

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

## Lease Liability

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments, less any lease incentives receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option..

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

The Group remeasure the lease liability by discounting the revised lease payments, if either:

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

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

The Group account for a lease modification as a separate lease if both:

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

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

### **Impairment of Assets**

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

### **Severance Pay Provision / Employee Benefits**

- **Severance Pay**

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

The Group has reflected the severance pay liability calculated on the balance sheet date on the financial statements using the expected inflation rate and the real discount rate based on the principles stated above for the financial statements as of 31 March 2021.

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

- **Social Insurance Premium**

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

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#### Fair value estimation:

The Group's various accounting policies and footnote disclosures require fair value for both financial and non-financial assets and liabilities. The fair values are determined by the following methods for valuation and / or disclosure purposes. Where feasible, the assumptions used in the determination of fair value are presented in the footnotes related to the asset or liability as additional information. Level-by-level valuation methods are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

#### Tax

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

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

#### Revenue recognition

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

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

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

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

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When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services:

- a) presence of Group's collection right of the consideration for the goods or services,
- b) customer's ownership of the legal title on goods or services,
- c) physical transfer of the goods or services,
- d) customer's ownership of significant risks and rewards related to the goods or services,
- e) customer's acceptance of goods or services.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

#### *Interest income*

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

#### *Dividend and other incomes*

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

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

#### **Accounting Estimates**

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

#### *Provision for inventories*

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

#### *Provision for doubtful receivables*

Provision for doubtful receivables reflects the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which is subject to collection risk considering the current economical conditions.

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During the impairment test for the receivables, the debtors are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables is presented in Note 5.

### *Useful lifetime of tangible and intangible assets*

Group reserves provision for depreciation regarding to footnote 2.d that refers to useful lifetime on fixed assets. Information about useful lifetime is described in footnote 2.d.

### *Provision for lawsuits*

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

### *Severance pay provision*

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

### *Deferred Tax*

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

The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the revaluation, as of 31 March 2022, temporary differences due to tax incentives can be foreseen and the fraction falls in continuity of tax incentives within the context of tax legislations, can be benefited from and is to be tax assets and accounted. As of balance sheet date, the details regarding deferred tax calculations are stated in Note 30.

## **Provisions, Contingent Liabilities and Assets**

### Provisions

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

### Contingent Liabilities and Assets

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

## Foreign Currency Assets and Liabilities

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

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

|     | 31 March 2022 | 31 March 2021 |
|-----|---------------|---------------|
| USD | 14,6458       | 8,3260        |
| EUR | 16,3086       | 9,7741        |
| RUB | 0,17228       | 0,1092        |
| GBP | 19,2129       | 11,4324       |

## Effects of Change in Currency Rate

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

## Earnings Per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year.

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

## Other Balance Sheet Items

Other balance sheet items are mainly reflected at book value.

## Cash Flow Statement

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

## Post Balance Sheet Events

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

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### Reporting of Financial Information by Segments

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

### Related Parties

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

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

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

### NOTE 3- RELATED PARTY TRANSACTIONS

|   | 31 March 2022    |                | 31 December 2021 |                |
|---|------------------|----------------|------------------|----------------|
|   | Trading          | Non-Trading    | Trading          | Non-Trading    |
| <b>Short Term Trade Receivables (Note 5)</b>          |                  |                |                  |                |
| Süntaş Sünger ve Yatak San.Tic. A.Ş. (in liquidation) | 2.833.243        | --             | 3.269.791        | --             |
| <b>Other Receivables (Note 6)</b>                     |                  |                |                  |                |
| Receivables from Shareholders                         | --               | 960.251        | --               | 943.171        |
| <b>Total</b>  | <b>2.833.243</b> | <b>960.251</b> | <b>3.269.791</b> | <b>943.171</b> |

|   | 31 March 2021 |             | 31 December 2021 |             |
|---|---------------|-------------|------------------|-------------|
|   | Trading       | Non-Trading | Trading          | Non-Trading |
| <b>Short Term Other Payables (Note 6)</b> |               |             |                  |             |
| Payables to Shareholders                  | --            | --          | --               | --          |
| <b>Total</b>                              | <b>--</b>     | <b>--</b>   | <b>--</b>        | <b>--</b>   |

|   | 1 January – 31 March 2021    |                  |
|---|------------------------------|------------------|
|   | Goods and Services Purchases | Rent Expenses    |
| Süntaş Sünger ve Yatak San.Tic. A.Ş. (in liquidation) | --                           | 309.328          |
| Yavuz Altop   | --                           | 242.150          |
| Yılmaz Öztaşkın                                       | --                           | 242.150          |
| Other Shareholders                                    | --                           | 484.300          |
| <b>Total</b>  | <b>--</b>                    | <b>1.277.928</b> |

The total amount of benefits provided to the senior management such as the chairman and members of the board of directors, general manager, general coordinator and general manager of the Group for the period ended 31 March 2022 is TRY 5.340.756 (31 March 2021: TRY 4.019.27).

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#### 4 - CASH AND CASH EQUIVALENTS

As of 31 March 2022 and 31 December 2021, the details of cash and cash equivalents are as follows:

|   | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---|----------------------|-------------------------|
| Cash  | 108.127              | 92.412                  |
| Banks   | 37.491.830           | 51.684.912              |
| <i>Demand deposits</i>                                      | 36.030.467           | 22.894.903              |
| <i>Time deposits</i>  | 1.461.363            | 28.790.009              |
| Liquid funds <sup>(1)</sup>                                 | 64.351.256           | 59.609.092              |
| <b>Cash and cash equivalents in the cash flow statement</b> | <b>101.951.213</b>   | <b>111.386.416</b>      |
| Interest income accrual                                     | 134                  | 13.344                  |
| <b>Total</b>  | <b>101.951.347</b>   | <b>111.399.760</b>      |

<sup>(1)</sup> Liquid funds consist of receivables arising from credit card sales.

#### 5 - TRADE RECEIVABLES AND PAYABLES

##### Trade Receivables

###### Short Term Trade Receivables

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Trade Receivables  | 202.175.126          | 178.985.955             |
| - <i>Trade Receivables from related parties (note 3)</i> | 2.833.243            | 3.269.791               |
| - <i>Other trade Receivables</i>                         | 199.341.883          | 175.716.164             |
| Notes Receivables  | 132.979.851          | 63.748.324              |
| - <i>Other notes Receivables</i>                         | 132.979.851          | 63.748.324              |
| Unearned Interest (-)                                    | (10.844.995)         | (11.574.904)            |
| Doubtful trade receivables                               | 19.710.649           | 17.999.348              |
| Provision for doubtful trade receivables (-)             | (19.710.649)         | (17.999.348)            |
| <b>Total</b>   | <b>324.309.982</b>   | <b>231.159.375</b>      |

The maturity schedule of receivables are as follows:

|                | <b>31 March 2022</b> | <b>31 December 2021</b> |
|----------------|----------------------|-------------------------|
| Overdue        | --                   | --                      |
| Up to 3 months | 191.350.394          | 172.313.290             |
| 3 to 12 months | 143.804.582          | 70.420.989              |
| <b>Total</b>   | <b>335.154.976</b>   | <b>242.734.279</b>      |

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

|   | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---|----------------------|-------------------------|
| Opening balance                         | 17.999.348           | 17.319.595              |
| Additional provisions in the period     | 2.668.445            | 1.089.474               |
| Cancellation of provision in period (-) | (957.144)            | (409.721)               |
| <b>Total (End of the period)</b>        | <b>19.710.649</b>    | <b>17.999.348</b>       |

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**Trade Payables**

Short Term Trade Payables

|                       | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-----------------------|----------------------|-------------------------|
| Trade payables        | 533.952.791          | 379.300.697             |
| Notes payables        | 120.852.814          | 123.142.193             |
| Unearned interest (-) | (38.708.765)         | (18.084.323)            |
| <b>Total</b>          | <b>616.096.840</b>   | <b>484.358.567</b>      |

Long Term Trade Payables

None.

As of 31 March 2022 and 31 December 2021 maturity schedule of payables are as follows:

|                | <b>31 March 2022</b> | <b>31 December 2021</b> |
|----------------|----------------------|-------------------------|
| Overdue        | --                   | --                      |
| Up to 3 months | 642.913.615          | 497.112.288             |
| 3 to 12 months | 11.891.989           | 5.330.602               |
| <b>Total</b>   | <b>654.805.604</b>   | <b>502.442.890</b>      |

**6 - OTHER RECEIVABLES AND PAYABLES**

Short Term Other Receivables

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Receivables from related parties (note 3)    | 960.251              | 943.171                 |
| Receivables from personnel                   | 142.053              | 191.904                 |
| Doubtful other receivables                   | 4.357.168            | 4.357.168               |
| Provision for doubtful other receivables (-) | (4.357.168)          | (4.357.168)             |
| Other  | 94.551               | 428.938                 |
| <b>Total</b>                                 | <b>1.196.855</b>     | <b>1.564.013</b>        |

Long Term Other Receivables

|                               | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-------------------------------|----------------------|-------------------------|
| Deposits and guarantees given | 2.294.414            | 2.351.374               |
| <b>Total</b>                  | <b>2.294.414</b>     | <b>2.351.374</b>        |

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

|   | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---|----------------------|-------------------------|
| Opening balance                         | 4.357.168            | 4.357.168               |
| Additional provisions in the period     | --                   | --                      |
| Cancellation of provision in period (-) | --                   | --                      |
| <b>Total (End of the period)</b>        | <b>4.357.168</b>     | <b>4.357.168</b>        |

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**Short Term Other Payables**

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Other payables to related parties (note 3) | --                   | --                      |
| Deposits and guarantees received           | 423.398              | 375.169                 |
| Other sundry payables                      | 319.078              | 406.033                 |
| <b>Total</b>                               | <b>742.476</b>       | <b>781.202</b>          |

**7 - OTHER ASSETS AND LIABILITIES**

**Other Current Assets**

|                             | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-----------------------------|----------------------|-------------------------|
| VAT carried forward         | 210.777.361          | 147.929.799             |
| Receivables from tax office | 637.030              | 623.695                 |
| Other                       | 28.923.228           | 21.152.339              |
| <b>Total</b>                | <b>240.337.619</b>   | <b>169.705.833</b>      |

**Other Current Liabilities**

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Taxes and dues payable                     | 9.015.390            | 4.515.519               |
| Overdue or deferred taxes and dues payable | --                   | --                      |
| Other liabilities                          | 709.794              | 1.346.406               |
| <b>Total</b>                               | <b>9.725.184</b>     | <b>5.861.925</b>        |

**8 – INVENTORIES**

|                                  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|----------------------------------|----------------------|-------------------------|
| Raw materials                    | 187.727.708          | 131.322.835             |
| Work in process                  | 20.070.160           | 8.920.805               |
| Finished goods                   | 685.622.608          | 510.266.721             |
| Merchandises                     | 4.497.112            | 11.889.476              |
| Other inventories <sup>(1)</sup> | 6.332.130            | 5.716.298               |
| <b>Total</b>                     | <b>904.249.718</b>   | <b>668.116.135</b>      |

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

The related inventory items are reported net by deducting the their provisions for impairment. As of 31 March 2022, there is insurance coverage amounting to 277.301.000 TRY on inventories (31 December 2021: 277.301.000)

**9 – PREPAID EXPENSES**

**Short-Term Prepaid Expenses**

|                                      | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--------------------------------------|----------------------|-------------------------|
| Order advances given                 | 130.993.922          | 81.178.003              |
| Prepaid expenses                     | 24.142.796           | 3.495.977               |
| Advances given for business purposes | 91.984               | 80.899                  |
| Advances given to personnel          | 2.123.438            | 475.639                 |
| <b>Total</b>                         | <b>157.352.140</b>   | <b>85.230.518</b>       |

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Long-Term Prepaid Expenses

|                  | 31 March 2022     | 31 December 2021  |
|------------------|-------------------|-------------------|
| Prepaid expenses | 10.254.110        | 23.170.983        |
| Income accruals  | 570.500           | 570.500           |
| <b>Total</b>     | <b>10.824.610</b> | <b>23.741.483</b> |

**10 – FINANCIAL INVESTMENTS**

The fair values of financial investments are classified as follows due to the data used to determine the levels.  
 As of 31 March 2022 and 31 December 2021 financial investments is as following;

As at 31 March 2022, short-term financial assets are reflected to the financial statements at their fair value.

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

|              | 31 March 2022 | 31 December 2021 |     |              |
|--------------|---------------|------------------|-----|--------------|
|              | (%)           | TRY              | (%) | TRY          |
| Kay-Ser A.Ş. | < 1           | 317.855          | < 1 | 1.000        |
| <b>Total</b> |               | <b>317.855</b>   |     | <b>1.000</b> |

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

| 31 March 2022    | Level 1 | Level 2 | Level 3 |
|------------------|---------|---------|---------|
| Kay-Ser A.Ş.     | --      | --      | 317.855 |
| 31 December 2021 | Level 1 | Level 2 | Level 3 |
| Kay-Ser A.Ş.     | --      | --      | 1.000   |

**11 – INVESTMENT PROPERTIES**

| Cost                    | Lands            | Buildings         | Total             |
|-------------------------|------------------|-------------------|-------------------|
| <b>1 January 2021</b>   | <b>6.715.872</b> | <b>4.607.317</b>  | <b>11.323.189</b> |
| Addition                | --               | --                | --                |
| Fair value increase (*) | --               | 18.112.600        | 18.112.600        |
| Disposals               | --               | (665.000)         | (665.000)         |
| <b>31 December 2021</b> | <b>6.715.872</b> | <b>22.054.917</b> | <b>28.770.789</b> |
| Addition                | --               | --                | --                |
| Disposals               | --               | --                | --                |
| <b>31 March 2022</b>    | <b>6.715.872</b> | <b>22.054.917</b> | <b>28.770.789</b> |

Accumulated depreciation

|   |                  |                   |                   |
|---|------------------|-------------------|-------------------|
| <b>1 January 2021</b>                   | <b>--</b>        | <b>490.809</b>    | <b>490.809</b>    |
| Charge for the period                   | --               | 90.696            | 90.696            |
| Disposals                               | --               | (43.133)          | (43.133)          |
| <b>31 December 2021</b>                 | <b>--</b>        | <b>538.372</b>    | <b>538.372</b>    |
| Charge for the period                   | --               | --                | --                |
| Disposals                               | --               | --                | --                |
| <b>31 March 2022</b>                    | <b>--</b>        | <b>538.372</b>    | <b>538.372</b>    |
| <b>Net book value, 31 December 2021</b> | <b>6.715.872</b> | <b>21.516.545</b> | <b>28.232.417</b> |
| <b>Net book value, 31 March 2022</b>    | <b>6.715.872</b> | <b>21.516.545</b> | <b>28.232.417</b> |

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**12-1 TANGIBLE FIXED ASSETS**

| Cost                                    | Lands             | Land improvements | Buildings          | Plants, machinery and equipment | Vehicles         | Fixtures and fittings | Leasehold improvements | Construction in progress | Total              |
|---|-------------------|-------------------|--------------------|---------------------------------|------------------|-----------------------|------------------------|--------------------------|--------------------|
| <b>1 January 2021</b>                   | <b>54.571.042</b> | <b>558.617</b>    | <b>127.274.288</b> | <b>149.483.861</b>              | <b>7.194.293</b> | <b>94.531.499</b>     | <b>84.321.545</b>      | <b>468.127</b>           | <b>518.403.272</b> |
| Addition                                | 5.218.284         | 115.394           | 13.781.820         | 30.907.783                      | 640.865          | 36.036.314            | 22.386.515             | 21.663.497               | 130.750.472        |
| Fair value increase (*)                 | 31.923.260        | --                | 278.321.036        | --                              | --               | --                    | --                     | --                       | 310.244.296        |
| Disposals                               | --                | --                | --                 | (1.308.289)                     | --               | (1.003.153)           | (260.237)              | (11.344.918)             | (13.916.597)       |
| <b>31 December 2021</b>                 | <b>91.712.586</b> | <b>674.011</b>    | <b>419.377.144</b> | <b>179.083.355</b>              | <b>7.835.158</b> | <b>129.564.660</b>    | <b>106.447.823</b>     | <b>10.786.706</b>        | <b>945.481.443</b> |
| Addition                                | 2.990.018         | --                | 1.946.323          | 3.462.834                       | 825.051          | 13.466.575            | 3.116.385              | 4.160.519                | 29.967.705         |
| Disposals                               | --                | --                | --                 | (1.480.070)                     | (64.489)         | (114.815)             | --                     | --                       | (1.659.374)        |
| <b>31 March 2022</b>                    | <b>94.702.604</b> | <b>674.011</b>    | <b>421.323.467</b> | <b>181.066.119</b>              | <b>8.595.720</b> | <b>142.916.420</b>    | <b>109.564.208</b>     | <b>14.947.225</b>        | <b>973.789.774</b> |
| <b>Accumulated depreciation</b>         |                   |                   |                    |                                 |                  |                       |                        |                          |                    |
| <b>1 January 2021</b>                   | <b>--</b>         | <b>96.024</b>     | <b>17.388.258</b>  | <b>57.622.220</b>               | <b>4.167.416</b> | <b>46.340.388</b>     | <b>52.682.559</b>      | <b>--</b>                | <b>178.296.865</b> |
| Charge for the period                   | --                | 29.874            | 2.715.398          | 14.224.983                      | 842.204          | 14.160.868            | 11.754.871             | --                       | 43.728.198         |
| Disposals                               | --                | --                | --                 | (1.308.289)                     | --               | (271.666)             | (260.237)              | --                       | (1.840.192)        |
| <b>31 December 2021</b>                 | <b>--</b>         | <b>125.898</b>    | <b>20.103.656</b>  | <b>70.538.914</b>               | <b>5.009.620</b> | <b>60.229.590</b>     | <b>64.177.193</b>      | <b>--</b>                | <b>220.184.871</b> |
| Charge for the period                   | --                | 7.434             | 737.333            | 4.003.587                       | 231.817          | 4.560.292             | 3.479.277              | --                       | 13.019.740         |
| Disposals                               | --                | --                | --                 | (1.480.070)                     | (64.065)         | (105.514)             | --                     | --                       | (1.649.649)        |
| <b>31 March 2022</b>                    | <b>--</b>         | <b>133.332</b>    | <b>20.840.989</b>  | <b>73.062.431</b>               | <b>5.177.372</b> | <b>64.684.368</b>     | <b>67.656.470</b>      | <b>--</b>                | <b>231.554.962</b> |
| <b>Net book value, 31 December 2021</b> | <b>91.712.586</b> | <b>548.113</b>    | <b>399.273.488</b> | <b>108.544.441</b>              | <b>2.825.538</b> | <b>69.335.070</b>     | <b>42.270.630</b>      | <b>10.786.706</b>        | <b>725.296.572</b> |
| <b>Net book value, 31 March 2022</b>    | <b>94.702.604</b> | <b>540.679</b>    | <b>400.482.478</b> | <b>108.003.688</b>              | <b>3.418.348</b> | <b>78.232.052</b>     | <b>41.907.738</b>      | <b>14.947.225</b>        | <b>742.234.812</b> |

As of 31 March 2022 there is insurance amounting to TRY 1.181.196.861 on property, plant and equipment. The liability amounts for fixed assets are mentioned in Note 19.

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## 12-2 RIGHT OF USE ASSETS

The Group has adopted the TFRS 16 "Leases" as at 1 January 2019 for the first time. Right of use assets and receivables from subleases are measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments for lease liabilities which had previously been classified as "operating leases" under the principles of TAS 17 in the condensed consolidated financial statements.

The movement table of the right of use assets as of 31 March 2022 is as follows:

|   | Vehicles           | Buildings          | Total              |
|---|--------------------|--------------------|--------------------|
| <b>1 January 2021 balance</b>             | <b>8.635.354</b>   | <b>156.722.552</b> | <b>165.357.906</b> |
| Additions                                 | --                 | --                 | --                 |
| Disposals                                 | --                 | --                 | --                 |
| <b>31 December 2021 balance</b>           | <b>8.635.354</b>   | <b>156.722.552</b> | <b>165.357.906</b> |
| Additions                                 | --                 | 53.815.958         | 53.815.958         |
| Disposals                                 | --                 | --                 | --                 |
| <b>31 March 2022</b>                      | <b>8.635.354</b>   | <b>210.538.510</b> | <b>219.173.864</b> |
| <b>Accumulated depreciation</b>           |                    |                    |                    |
| <b>1 January 2021 balance</b>             | <b>4.895.820</b>   | <b>62.463.136</b>  | <b>67.358.956</b>  |
| Charge for the period                     | 2.326.271          | 30.244.682         | 32.570.953         |
| Disposals                                 | --                 | --                 | --                 |
| <b>31 December 2021 balance</b>           | <b>7.222.091</b>   | <b>92.707.818</b>  | <b>99.929.909</b>  |
| Charge for the period                     | 2.907.838          | 4.257.772          | 7.165.610          |
| Disposals                                 | --                 | --                 | --                 |
| <b>31 March 2022</b>                      | <b>10.129.929</b>  | <b>96.965.590</b>  | <b>107.095.519</b> |
| <b>Net book value of 31 December 2021</b> | <b>1.413.263</b>   | <b>64.014.734</b>  | <b>65.427.997</b>  |
| <b>Net book value of 31 March 2022</b>    | <b>(1.494.575)</b> | <b>113.572.920</b> | <b>112.078.345</b> |

## 13 - INTANGIBLE FIXED ASSETS

| Cost                                    | Active            |                   |                   |                   |                   |                  | Other Rights      | Total |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------|
|   | Patents           | Trademarks        | Licences          | Computer Software | Development Costs |                  |                   |       |
| <b>1 January 2021</b>                   | <b>16.970.778</b> | <b>11.083.799</b> | <b>6.887.409</b>  | <b>5.003.130</b>  | <b>1.591.123</b>  | <b>1.900.782</b> | <b>43.437.021</b> |       |
| Addition                                | 14.003.267        | 274.353           | 8.437.462         | 747.797           | 3.044.966         | 85.751           | 26.593.596        |       |
| Disposals                               | --                | --                | --                | --                | --                | --               | --                |       |
| <b>31 December 2021</b>                 | <b>30.974.045</b> | <b>11.358.152</b> | <b>15.324.871</b> | <b>5.750.927</b>  | <b>4.636.089</b>  | <b>1.986.533</b> | <b>70.030.617</b> |       |
| Addition                                | 4.621.781         | 585.913           | 482.428           | 16.741            | 3.869.216         | 721.200          | 10.297.279        |       |
| Disposals                               | --                | --                | --                | --                | --                | --               | --                |       |
| <b>31 March 2022</b>                    | <b>35.595.826</b> | <b>11.944.065</b> | <b>15.807.299</b> | <b>5.767.668</b>  | <b>8.505.305</b>  | <b>2.707.733</b> | <b>80.327.896</b> |       |
| <b>Accumulated depreciation</b>         |                   |                   |                   |                   |                   |                  |                   |       |
| <b>1 January 2021</b>                   | <b>9.140.085</b>  | <b>270.243</b>    | <b>3.650.479</b>  | <b>2.611.658</b>  | <b>1.620</b>      | <b>1.848.849</b> | <b>17.522.934</b> |       |
| Charge for the period                   | 8.252.824         | 105.108           | 656.362           | 781.482           | 158.740           | 16.331           | 9.970.847         |       |
| Disposals                               | --                | --                | --                | --                | --                | --               | --                |       |
| <b>31 December 2021</b>                 | <b>17.392.909</b> | <b>375.351</b>    | <b>4.306.841</b>  | <b>3.393.140</b>  | <b>160.360</b>    | <b>1.865.180</b> | <b>27.493.781</b> |       |
| Charge for the period                   | 2.679.577         | 42.171            | 397.124           | 174.496           | 157.757           | 4.071            | 3.455.196         |       |
| Disposals                               | --                | --                | --                | --                | --                | --               | --                |       |
| <b>31 March 2022</b>                    | <b>20.072.486</b> | <b>417.522</b>    | <b>4.703.965</b>  | <b>3.567.636</b>  | <b>318.117</b>    | <b>1.869.251</b> | <b>30.948.977</b> |       |
| <b>Net book value, 31 December 2021</b> | <b>13.581.136</b> | <b>10.982.801</b> | <b>11.018.030</b> | <b>2.357.787</b>  | <b>4.475.729</b>  | <b>121.353</b>   | <b>42.536.836</b> |       |
| <b>Net book value, 31 March 2022</b>    | <b>15.523.340</b> | <b>11.526.543</b> | <b>11.103.334</b> | <b>2.200.032</b>  | <b>8.187.188</b>  | <b>838.482</b>   | <b>49.378.919</b> |       |

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The distribution of depreciation expenses is as follows:

|                         | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-------------------------|----------------------|-------------------------|
| Tangible fixed assets   | 13.019.740           | 43.728.198              |
| Investment properties   | --                   | 90.696                  |
| Intangible fixed assets | 3.455.064            | 9.970.846               |
| Right of use assets     | 7.165.610            | 32.570.953              |
| <b>Total</b>            | <b>23.640.414</b>    | <b>86.360.693</b>       |

#### **14 - FINANCIAL BORROWINGS**

As of 31 March 2022 and 31 December 2021 the details of short term financial borrowings are as follows:

##### **Short Term Financial Borrowings**

|                                       | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---------------------------------------|----------------------|-------------------------|
| Turkish Lira financial borrowings     | 167.932.918          | 1.276.057               |
| Foreign currency financial borrowings | 66.865.260           | 58.758.085              |
| Lease payables                        | 49.969.598           | 29.484.821              |
| <b>Total</b>                          | <b>284.767.776</b>   | <b>89.518.963</b>       |

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

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Current installment of long term Turkish Lira financial borrowings     | 57.254.619           | 27.457.352              |
| Current installment of long term foreign currency financial borrowings | 81.427.799           | 102.627.868             |
| <b>Total</b>   | <b>138.682.418</b>   | <b>130.085.220</b>      |

##### **Long Term Financial Borrowings**

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Turkish lira financial borrowings                    | 66.571.167           | 71.578.519              |
| Foreign currency financial borrowings lease payables | 100.108.588          | 78.197.848              |
| Lease payables                                       | 72.232.881           | 45.806.230              |
| <b>Total</b>   | <b>238.912.636</b>   | <b>195.582.597</b>      |

As of March 31, 2022, the interest rates average of financial liabilities are 3,40 % in EUR and 14,10 % in TRY (31 December 2021: EUR – 3,42 %, TRY – 14,56 %).

Liabilities given for bank borrowings are mentioned in note 19.

Maturity schedule of banks borrowings are as follows:

|                | <b>31 March 2022</b> | <b>31 December 2021</b> |
|----------------|----------------------|-------------------------|
| Up to 3 months | 184.542.105          | 68.966.807              |
| 3 to 12 months | 238.908.086          | 153.456.782             |
| 1 to 5 years   | 235.250.874          | 187.916.865             |
| Over 5 years   | 3.661.765            | 4.846.326               |
| <b>Total</b>   | <b>662.362.830</b>   | <b>415.186.780</b>      |

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#### 15 – EMPLOYEE BENEFIT LIABILITIES

|  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--|----------------------|-------------------------|
| Due to personnel                           | 23.409.771           | 16.765.225              |
| Social security and Taxes and dues payable | 11.690.936           | 12.431.247              |
| <b>Total</b>                               | <b>35.100.707</b>    | <b>29.196.472</b>       |

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#### 16 – DEFERRED INCOME

##### Short-Term Deferred Income

|                   | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-------------------|----------------------|-------------------------|
| Advances received | 164.899.753          | 124.553.129             |
| Income accruals   | 254.238              | 296.610                 |
| <b>Total</b>      | <b>165.153.991</b>   | <b>124.849.739</b>      |

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#### 17 – PROVISIONS

|                           | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---------------------------|----------------------|-------------------------|
| Expense accruals          | 3.836.288            | 3.740.193               |
| Provisions for litigation | 405.529              | 405.529                 |
| <b>Total</b>              | <b>4.241.817</b>     | <b>4.145.722</b>        |

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#### 18 – PROVISIONS FOR EMPLOYEE BENEFITS

|                             | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-----------------------------|----------------------|-------------------------|
| Provision for severance pay | 16.243.704           | 16.291.703              |
| <b>Total</b>                | <b>16.243.704</b>    | <b>16.291.703</b>       |

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

|                                  | <b>31 March 2022</b> | <b>31 March 2021</b> |
|----------------------------------|----------------------|----------------------|
| Balance at the beginning         | 16.291.703           | 17.706.556           |
| Cost of services                 | 535.353              | 446.867              |
| Interest cost                    | 370.003              | 547.757              |
| Actuarial profit / (loss)        | 3.905.119            | (3.083.054)          |
| Severance pay paid in the period | (4.858.474)          | (188.716)            |
| <b>Total</b>                     | <b>16.243.704</b>    | <b>15.429.410</b>    |

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#### 19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### Provisions

The movement of the provision for litigation is as follows;

|                                       | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---------------------------------------|----------------------|-------------------------|
| Opening balance                       | 405.529              | 686.886                 |
| Provisions reversed during the period | --                   | (281.357)               |
| <b>Closing balance</b>                | <b>405.529</b>       | <b>405.529</b>          |

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**Contingent Liabilities**

| Given GSM (Guarantee-Security-Mortgage) by Group   | 31 March 2022      | 31 December 2021   |
|--|--------------------|--------------------|
| A. Total Amount of GSM Given on Behalf of Legal Entity   | <b>340.942.193</b> | <b>248.482.326</b> |
| B. Total Amount of GSM Given for Partnerships which are Included in Full Consolidation                               | --                 | --                 |
| C. Total Amount of GSM Given for the Purpose of Guaranteeing Third Party Loans to Carry the Regular Trade Activities | --                 | --                 |
| D. Total Amount of Other GSM Given   | --                 | --                 |
| i. Total Amount of GSM Given for the Parent Company  | --                 | --                 |
| ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses                              | --                 | --                 |
| iii. Total Amount of GSM Given for Third Parties not Included in C Clause  | --                 | --                 |
| <b>Total</b>   | <b>340.942.193</b> | <b>248.482.326</b> |

**Letters of guarantee** - As of March 31, 2022, the Group has given letters of guarantee amounting to TRY 104.055.486 to the suppliers and other corporations. The details of the letters of guarantee are as below:

|  | Foreign currency | Amount      | FX Rate | TRY equivalent     |
|--|------------------|-------------|---------|--------------------|
| Electricity Distribution Companies                       | TL               | 697.898     | 1,0000  | 697.898            |
| Executive Directorate                                    | TL               | 8.743.618   | 1,0000  | 8.743.618          |
| Customs Directorate                                      | TL               | 412.336     | 1,0000  | 412.336            |
| Gas Distribution Companies                               | TL               | 133.000     | 1,0000  | 133.000            |
| Private Sector   | TL               | 495.367.097 | 1,0000  | 495.367.097        |
| Private Sector   | EUR              | 2.984.680   | 16,3086 | 48.675.952         |
| Private Sector   | USD              | 572.000     | 14,6458 | 8.377.398          |
| Export Credit Bank of Turkey                             | EUR              | 6.762.700   | 16,3086 | 110.290.169        |
| Government Supplies Office                               | TL               | 150.000     | 1,0000  | 150.000            |
|  | TL               | 469.800     | 1,0000  | 469.800            |
|  | TL               | 613.500     | 1,0000  | 613.500            |
| Disaster and Emergency Situation of Ministry of Interior | TL               | --          | 1,0000  | --                 |
| <b>Total</b>   |                  |             |         | <b>673.930.768</b> |

|                   | 31 March 2022    | 31 December 2021 | 31 March 2022     | 31 December 2021  |
|-------------------|------------------|------------------|-------------------|-------------------|
|                   | Foreign currency |                  | TRY equivalent    |                   |
| Bills given (EUR) | 5.812.525        | 4.350.000        | 94.794.149        | 63.868.005        |
| <b>Total</b>      | <b>5.812.525</b> | <b>4.350.000</b> | <b>94.794.149</b> | <b>63.868.005</b> |

As at 31 March 2022, mortgages on various tangible assets of the Group amounting to TRY 261.173.980 (31 December 2021: TRY 261.173.980)

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**Contingent Asset**

|                            | 31 March 2022    | 31 December 2021 | 31 March 2022      | 31 December 2021   |
|----------------------------|------------------|------------------|--------------------|--------------------|
|                            | Foreign currency |                  | TRY equivalent     |                    |
| Letters of Guarantee (TRY) | 314.757.880      | 253.113.523      | 314.757.880        | 253.113.523        |
| Letters of Guarantee (USD) | 5.055.000        | 4.400.000        | 74.034.519         | 57.101.000         |
| Letters of Guarantee (EUR) | 1.064.141        | 600.000          | 17.354.650         | 8.809.380          |
| Mortgages                  | 193.675.785      | 139.940.750      | 193.675.785        | 139.940.750        |
| Mortgages (Abroad)         | 2.075.000        | --               | 30.390.035         | --                 |
| <b>Total</b>               |                  |                  | <b>630.212.869</b> | <b>458.964.653</b> |

**20 – SHARE CAPITAL**

**20.1 Paid in Capital**

The registered capital of the parent company is TRY 150.000.000 ( 31 December 2021: TRY 150.000.000).

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

Paid-in capital of the parent company each 1 TRY. of the total shares of the Company with a nominall amount of TRY 149.798.932 (31 December 2021: TRY 149.798.932).

The shareholding structure of the parent company as of 31 March 2022 and 31 December 2021 is as follows;

|  | 31 March 2022      |                 | 31 December 2021   |                |
|--|--------------------|-----------------|--------------------|----------------|
|  | Amount<br>TRY      | Share<br>(%)    | Amount<br>TRY      | Share<br>(%)   |
| Hacı Nuri Öztaşkin                         | 12.427.403         | % 8,30          | 12.427.403         | 8,30%          |
| Yılmaz Öztaşkin                            | 10.940.192         | % 7,30          | 10.940.192         | 7,30%          |
| Bostancı Otelcilik ve Turizm İşletmesi A.Ş | 8.467.847          | % 5,65          | 8.467.847          | 5,65%          |
| Other <sup>(1)</sup>                       | 117.963.490        | % 78,75         | 117.963.490        | 78,75%         |
| <b>Total</b>                               | <b>149.798.932</b> | <b>% 100,00</b> | <b>149.798.932</b> | <b>100,00%</b> |

<sup>(1)</sup> Includes nominal repurchase shares amounting to TRY 36.439.256 at the rate of 4,03 % stated.

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

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

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

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In the profit distribution policies of the partnership:

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

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

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

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

Companies whose shares are quoted in the stock exchange:

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

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

**Restricted reserves**

|                              | 31 March 2022     | 31 December 2021  |
|------------------------------|-------------------|-------------------|
| Legal reserves               | 21.836.330        | 13.635.434        |
| Reserves for buy back shares | 36.439.256        | 36.015.309        |
| <b>Total</b>                 | <b>58.275.586</b> | <b>49.650.743</b> |

**Actuarial gain on severance pay/ loss**

|   | 31 March 2022      | 31 December 2021 |
|---|--------------------|------------------|
| Actuarial gain on severance pay/ loss of fund | (3.922.157)        | (1.248.654)      |
| Deferred tax                                  | 964.493            | 376.323          |
| <b>Total</b>                                  | <b>(2.957.664)</b> | <b>(872.331)</b> |

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### **Revaluation Fund**

Group's "buildings and lands" are stated in the financial statements at expertise value determined by Makro Gayrimenkul Değerleme ve Danışmanlık A.Ş. on 29-31 December 2021, which is accredited by Capital Market Board as of 31 March 2022 with deducted accumulated depreciation.

|              | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--------------|----------------------|-------------------------|
| 1 January    | 353.490.398          | 78.924.196              |
| Disposals    | --                   | 274.566.202             |
| <b>Total</b> | <b>353.490.398</b>   | <b>353.490.398</b>      |

### **Foreign currency conversion differences**

Currency conversion differences as of 31 March 2022 and 31 December 2021 are as follows;

|              | <b>31 March 2022</b> | <b>31 December 2021</b> |
|--------------|----------------------|-------------------------|
| 1 January    | 7.083.800            | 1.647.046               |
| Addition     | 1.882.272            | 5.436.754               |
| <b>Total</b> | <b>8.966.072</b>     | <b>7.083.800</b>        |

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

### **Buy back shares**

As 31 March 2022 and 31 December 2021 buy back shares as following;

|                         | <b>31 March 2022</b> | <b>31 December 2021</b> |
|-------------------------|----------------------|-------------------------|
| Beginning of the period | 36.015.309           | 25.429.007              |
| Buy back shares         | 423.947              | 10.586.302              |
| <b>Total</b>            | <b>36.439.256</b>    | <b>36.015.309</b>       |

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

As of 31 March 2022, the Group has Purchased 6.035.734,4 shares amounting to TRY 36.439.256 that is 4,03 % of its total capital and reflected it in the accompanying financial statements under "Buy back shares in Equity".

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

### **Retained Earnings**

|   | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---|----------------------|-------------------------|
| 1 January                                 | 240.113.597          | 121.511.381             |
| Increase/ Decrease Due To Buy-Back Shares | (423.947)            | (10.586.302)            |
| Transfer From Retained Profit             | 256.056.383          | 170.075.044             |
| Dividend Distribution                     | (7.386.186)          | (40.886.526)            |
| <b>Total</b>                              | <b>488.359.847</b>   | <b>240.113.597</b>      |

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## 21 – REVENUE

For the periods ended at 31 March 2022 and 2021, the details of sales are as following:

|  | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|--|--------------------------------------|--------------------------------------|
| Domestic sales                         | 1.544.725.783                        | 838.053.654                          |
| Export sales                           | 136.091.609                          | 55.813.860                           |
| Other sales                            | 7.818.365                            | 4.785.892                            |
| <b>Gross Sales</b>                     | <b>1.688.635.757</b>                 | <b>898.653.406</b>                   |
| Sales returns (-)                      | (40.762.699)                         | (26.038.111)                         |
| Sales discounts (-)                    | (513.870.327)                        | (342.688.321)                        |
| Other discounts (-)                    | (995.117)                            | (156.916)                            |
| <b>Sales returns and Discounts (-)</b> | <b>(555.628.143)</b>                 | <b>(368.883.348)</b>                 |
| <b>Net Sales</b>                       | <b>1.133.007.614</b>                 | <b>529.770.058</b>                   |

## 22 – COST OF SALES (-)

For the periods ended at 31 March 2022 and 2021, the details of cost of sales are as following:

|                             | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|-----------------------------|--------------------------------------|--------------------------------------|
| Cost of finished goods sold | (763.269.144)                        | (252.928.233)                        |
| Cost of merchandise         | (140.410)                            | (85.037.119)                         |
| Cost of services sold       | (14.655.773)                         | (10.589.679)                         |
| <b>Total</b>                | <b>(778.065.327)</b>                 | <b>(348.555.031)</b>                 |

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

|  | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|--|--------------------------------------|--------------------------------------|
| General administrative expenses            | 26.820.724                           | 17.524.038                           |
| Marketing, sales and distribution expenses | 200.287.694                          | 106.708.198                          |
| Research and development expenses          | 3.360.207                            | 1.634.952                            |
| <b>Total</b>                               | <b>230.468.625</b>                   | <b>125.867.188</b>                   |

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**EXPENSES BY NATURE (-)**

|   | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|---|--------------------------------------|--------------------------------------|
| Personnel expenses                          | 61.813.228                           | 39.403.271                           |
| Transportation expenses                     | 57.108.572                           | 26.774.714                           |
| Advertising expenses                        | 34.290.377                           | 22.249.027                           |
| Amortization expenses                       | 11.029.680                           | 15.623.467                           |
| Rent expenses                               | 20.312.158                           | 2.436.733                            |
| Consultancy expenses                        | 3.899.882                            | 3.244.050                            |
| Travel and accommodation expenses           | 2.797.064                            | 576.024                              |
| Retailer opening supports                   | 12.632.741                           | 2.022.598                            |
| Electricity, water, climate expenses        | 5.764.265                            | 1.394.979                            |
| Retailers common area rent expenses         | 1.722.302                            | 1.016.413                            |
| Retirement pay provision expenses           | 2.625.506                            | 805.908                              |
| Material expenses                           | 2.569.929                            | 1.364.682                            |
| Tax, duties and fee expenses                | 304.760                              | 265.051                              |
| Maintenance and repair expenses             | 1.239.166                            | 709.976                              |
| Insurance expenses                          | 773.828                              | 619.686                              |
| Provision for doubtful receivables expenses | 2.668.445                            | --                                   |
| Communication expenses                      | 323.022                              | 234.595                              |
| Other expenses                              | 8.593.700                            | 7.126.014                            |
| <b>Total</b>                                | <b>230.468.625</b>                   | <b>125.867.188</b>                   |

**24 – OTHER INCOME**

|                                   | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Foreign exchange income           | 36.210.737                           | 15.379.833                           |
| Maturity difference income        | 4.084.558                            | 7.915.252                            |
| Rediscount income                 | 32.199.346                           | 12.303.662                           |
| Rent income                       | 3.240                                | 2.136                                |
| Incentive income                  | 2.089.147                            | 3.917.920                            |
| Union incentive income            | 988.775                              | 762.575                              |
| Bank commission income            | 1.340.030                            | 302.336                              |
| Reversal of unnecessary provision | 2.668.445                            | 294.852                              |
| Discounts, and premiums           | 975.487                              | 1.036.844                            |
| Other income                      | 1.485.692                            | 2.531.876                            |
| <b>Total</b>                      | <b>82.045.457</b>                    | <b>44.447.286</b>                    |

**25 – OTHER EXPENSES (-)**

|                                      | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Foreign exchange losses              | 10.844.995                           | 16.888.609                           |
| Rediscount expenses                  | 55.411.892                           | 16.504.074                           |
| Maturity difference expenses         | --                                   | 6.798.067                            |
| Provision expenses                   | 612.466                              | 217.125                              |
| Previous periods losses and expenses | --                                   | 51.145                               |
| Donation expenses                    | 3.470.538                            | 380.851                              |
| Other expenses                       | 951.243                              | 1.331.228                            |
| <b>Total</b>                         | <b>71.291.134</b>                    | <b>42.171.099</b>                    |

## 26 – INCOME FROM INVESTMENT ACTIVITIES

|   | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|---|--------------------------------------|--------------------------------------|
| Profit on sale of tangible fixed assets | 572.623                              | 185.619                              |
| Fund dividend income                    | --                                   | 73.280                               |
| <b>Total</b>                            | <b>572.623</b>                       | <b>258.899</b>                       |

## 27 – INVESTMENT ACTIVITIES EXPENSES (-)

None (31 December 2021: None).

## 28 – FINANCIAL INCOME

|                         | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|-------------------------|--------------------------------------|--------------------------------------|
| Foreign exchange income | 8.451.572                            | 12.598.389                           |
| Interest income         | 590.793                              | 1.109.512                            |
| <b>Total</b>            | <b>9.042.365</b>                     | <b>13.707.901</b>                    |

## 29 – FINANCIAL EXPENSES (-)

|                                     | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Foreign exchange losses             | 13.977.144                           | 6.948.770                            |
| Interest expenses                   | 14.431.464                           | 3.742.173                            |
| Lease payables interest accruals    | 2.585.721                            | 3.322.759                            |
| Bank commission                     | 1.819.569                            | 5.591.889                            |
| Guarantee letter commision expenses | 398.677                              | 201.195                              |
| Other financial expenses            | 181.938                              | 160.762                              |
| <b>Total</b>                        | <b>33.394.513</b>                    | <b>19.967.548</b>                    |

## 30 – TAX ASSETS AND LIABILITIES

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

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

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

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

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

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

There is no procedure for a final and definitive agreement on tax assessments. Tax returns are filed between 1-25 April following the close of the accounting year to which they relate. Tax authorities may however examine such returns and the underlying accounting records and may revise assessment within five years.

In accordance with the regulation numbered 7316, published in Official Gazette numbered 31462 on 22 April 2021, corporate tax rate for the year 2021 has increased from 20% to 25%, for the year 2022 to %25. The amendment is effective for annual reporting periods beginning on or after 30 June 2021. Therefore, deferred tax assets and liabilities as of 31 March 2022 are calculated with 25% tax rate for those which will be realized after 2021 and onwards.

Exemption for Real Estate and Subsidiary Share Sales Gains

Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayer is exempt from corporation tax. In addition, 75% of the profits arising from the sale of founders' shares, redeemable shares and preferential rights of real estates (immovables) owned by the same duration as the participation shares included in the assets of the institutions for at least two full years are exempt from corporate taxation as of 31 March 2022. However, with the amendment made by Law No. 7061, this ratio has been reduced from 75% to 50% in terms of immovables and this ratio will be used as 50% in tax declarations to be prepared from 2019. In order to benefit exclusively, the earning must be kept in a passive fund account and not withdrawn for 5 years. The sales price must be collected until the end of the second calendar year following the year in which the sale is made. There are many exceptions to the Corporate Tax Law. The following are the exceptions to the Company regarding these exceptions:

If the property that reflected balance sheet for two years and sold, their income's 75% as of 31 March 2022 non-obliged to corporate tax for this reason Group's properties which are taxable might be occur temporary differences thus accepted 5% for previous periods corporate tax's 75% used exempt. As of 31 March 2022 the exemption rate was set at 50%, the exemption was applied and the new deferred tax rate was taken as 10%.

As of 31 March 2022 and 31 December 2021 assets relevant current period tax is as following;

None (31 December 2021: None).

Taxes in balance sheet

|                             | 31 March 2022     | 31 December 2021  |
|-----------------------------|-------------------|-------------------|
| Corporation tax             | 91.318.726        | 68.064.722        |
| Prepaid taxes and funds (-) | (68.094.900)      | (46.464.727)      |
| <b>Total</b>                | <b>23.223.826</b> | <b>21.599.995</b> |

Dereffred Taxes in balance sheet

|              | 31 March 2022       | 31 December 2021    |
|--------------|---------------------|---------------------|
| Assets       | 46.457.545          | 41.723.509          |
| Liabilities  | (94.120.858)        | (87.331.442)        |
| <b>Total</b> | <b>(47.663.313)</b> | <b>(45.607.933)</b> |

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For the periods ended at 31 March 2022 and 2021, the details of tax income / expense are as following;

|                                    | 1 January –<br>31 March 2022 | 1 January –<br>31 March 2021 |
|------------------------------------|------------------------------|------------------------------|
| Corporation tax                    | (23.254.005)                 | (5.752.627)                  |
| Deferred taxes in income statement | (1.467.210)                  | 1.264.472                    |
| <b>Total</b>                       | <b>(24.721.215)</b>          | <b>(4.488.155)</b>           |

|  | 1 January –<br>31 March 2022 | 1 January –<br>31 March 2021 |
|--|------------------------------|------------------------------|
| Recognized in other comprehensive income | (588.171)                    | (678.272)                    |
| <b>End of term</b>                       | <b>(588.171)</b>             | <b>(678.272)</b>             |

|   | 31 March. 2022                        | 31 Dec. 2021                          | 31 March. 2022                            | 31 Dec. 2021                              |
|---|---------------------------------------|---------------------------------------|---|---|
|   | Cumulative<br>temporary<br>difference | Cumulative<br>temporary<br>difference | Deferred tax<br>assets /<br>(liabilities) | Deferred tax<br>assets /<br>(liabilities) |
| <b>Deffered taxes:</b>                              |                                       |                                       |   |   |
| Right of use assets                                 | 107.095.519                           | 99.929.909                            | 26.773.880                                | 24.982.477                                |
| Retirement pay provision                            | 26.360.356                            | 17.405.261                            | 3.291.391                                 | 3.354.460                                 |
| Provisions for doubtful receivables                 | 14.620.815                            | 13.521.980                            | 2.924.163                                 | 2.704.396                                 |
| Maturity differnece and adjustements on inventories | 34.495.033                            | 21.085.876                            | 8.623.758                                 | 5.271.470                                 |
| Interest accruals                                   | 1.872.562                             | 3.328.415                             | 468.141                                   | 832.104                                   |
| Capitalized brand cancellations                     | 3.424.305                             | 3.424.305                             | 684.861                                   | 684.861                                   |
| Adjustment of FX gain/loss                          | 1.194.619                             | 1.194.619                             | 298.655                                   | 298.655                                   |
| Rediscount on receivables                           | 10.844.995                            | 11.574.904                            | 2.711.249                                 | 2.893.726                                 |
| Adjustment of Time Deposit Interest Accruals        | 427                                   | 43                                    | 105                                       | 9   |
| Fixed asset valuation decrease                      | 500.000                               | 500.000                               | 50.000                                    | 50.000                                    |
| Provision for costs                                 | 405.529                               | 405.529                               | 101.382                                   | 101.382                                   |
| Adjustment of investment properties                 | 315.785                               | 315.785                               | 63.157                                    | 63.157                                    |
| Other   | 1.867.205                             | 1.947.243                             | 466.802                                   | 486.812                                   |
| <b>Deffered tax assets</b>                          | <b>202.997.150</b>                    | <b>174.633.869</b>                    | <b>46.457.544</b>                         | <b>41.723.509</b>                         |
| Fixed asset valuation increases                     | (415.711.418)                         | (406.708.324)                         | (48.041.387)                              | (48.041.387)                              |
| Lease payables                                      | (96.971.385)                          | (90.066.855)                          | (24.242.846)                              | (22.516.714)                              |
| Adjustment of tangible and intangible assets        | (63.402.796)                          | (61.104.353)                          | (11.716.977)                              | (11.123.867)                              |
| Rediscount on payables                              | (38.708.765)                          | (18.084.323)                          | (9.677.191)                               | (4.521.081)                               |
| Interest accruals                                   | --                                    | (2.535.790)                           | --  | (633.948)                                 |
| Adjustment of Time Deposit Interest Accruals        | (134)                                 | (13.344)                              | (34)                                      | (3.336)                                   |
| Retirement pay provision                            | (1.113.558)                           | (1.113.558)                           | (222.712)                                 | (222.712)                                 |
| Adjustment on prepaid expenses                      | (103.725)                             | (298.466)                             | (25.931)                                  | (74.617)                                  |
| Other   | (775.117)                             | (775.117)                             | (193.780)                                 | (193.780)                                 |
| <b>Deffered tax liabilities</b>                     | <b>(616.786.898)</b>                  | <b>(580.700.130)</b>                  | <b>(94.120.858)</b>                       | <b>(87.331.442)</b>                       |
| <b>Deferred tax assets / (liabilities), net</b>     | <b>(413.789.748)</b>                  | <b>(406.066.261)</b>                  | <b>(47.663.314)</b>                       | <b>(45.607.933)</b>                       |

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**Confirmation of Tax Reserve:**

|  | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|--|--------------------------------------|--------------------------------------|
| Profit before taxation from operating activities       | 111.448.461                          | 51.623.278                           |
| Tax calculated on 22% tax rate                         | (27.862.115)                         | (10.324.656)                         |
| Effect of legal tax rate change on deferred tax amount | --                                   | 72.367                               |
| <i>Tax effects:</i>                                    |                                      |                                      |
| - Effect of unacceptable expenses                      | (1.648.421)                          | (297.399)                            |
| - Incentives and discounts                             | 1.608.084                            | 5.999.749                            |
| - Other  | 3.181.237                            | 61.784                               |
| <b>Income/Expense Tax Reserves in Income Table</b>     | <b>(24.721.215)</b>                  | <b>(4.488.155)</b>                   |

**31 – EARNING PER SHARE**

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

|                                   | <b>1 January –<br/>31 March 2022</b> | <b>1 January –<br/>31 March 2021</b> |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Net period profit                 | 86.727.246                           | 47.135.123                           |
| Weighted average number of shares | 149.798.932                          | 149.798.932                          |
| Earnings per Share (TRY)          | 0,579                                | 0,315                                |

**32 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**Financial Instruments**

**Credit risk**

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

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

|  | Receivables       |              |                   |             |              |                      |
|--|-------------------|--------------|-------------------|-------------|--------------|----------------------|
|  | Trade receivables |              | Other receivables |             | Bank Deposit | Financial Investment |
|  | Related Party     | Other        | Related Party     | Other       |              |                      |
| <b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>  | 2.833.243         | 332.321.734  | 960.251           | 2.531.018   | 37.491.830   | --                   |
| - <i>The part of maximum risk under guarantee with collateral</i>  | --                | --           | --                | --          | --           | --                   |
| <b>A. Net book value of financial assets that are neither overdue nor impaired</b>                                       | 2.833.243         | 332.321.734  | 960.251           | 2.531.018   | 37.491.830   | --                   |
| <b>B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired</b> | --                | --           | --                | --          | --           | --                   |
| <b>C. Book value of financial assets that are overdue but not impaired</b>   | --                | --           | --                | --          | --           | --                   |
| - <i>The part under guarantee with collateral etc</i>  | --                | --           | --                | --          | --           | --                   |
| <b>D. Net book value of impaired assets</b>  | --                | --           | --                | --          | --           | --                   |
| - <b>Overdue (gross book value amount)</b>   | --                | 19.710.649   | --                | 4.357.168   | --           | --                   |
| - Impairment (-)   | --                | (19.710.649) | --                | (4.357.168) | --           | --                   |
| - <i>The part of net value under guarantee with collateral etc</i>   | --                | --           | --                | --          | --           | --                   |
| <b>Non overdue (gross book value amount)</b>   | --                | --           | --                | --          | --           | --                   |
| Impairment (-)   | --                | --           | --                | --          | --           | --                   |
| - <i>The part of net value under guarantee with collateral</i>   | --                | --           | --                | --          | --           | --                   |
| <b>E. Factors Including Off-Balance Sheet Risk</b>   | --                | --           | --                | --          | --           | --                   |

The Group's exposure to credit risk as of 31 December 2021 is as follows:

|  | Receivables       |              |                   |             |              |                      |
|--|-------------------|--------------|-------------------|-------------|--------------|----------------------|
|  | Trade receivables |              | Other receivables |             | Bank Deposit | Financial Investment |
|  | Related Party     | Other        | Related Party     | Other       |              |                      |
| <b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>  | 3.269.791         | 239.464.488  | 943.171           | 2.972.216   | 51.684.912   | --                   |
| - <i>The part of maximum risk under guarantee with collateral</i>  | --                | --           | --                | --          | --           | --                   |
| <b>A. Net book value of financial assets that are neither overdue nor impaired</b>                                       | 3.269.791         | 239.464.488  | 943.171           | 2.972.216   | 51.684.912   | --                   |
| <b>B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired</b> | --                | --           | --                | --          | --           | --                   |
| <b>C. Book value of financial assets that are overdue but not impaired</b>   | --                | --           | --                | --          | --           | --                   |
| - <i>The part under guarantee with collateral etc</i>  | --                | --           | --                | --          | --           | --                   |
| <b>D. Net book value of impaired assets</b>  | --                | --           | --                | --          | --           | --                   |
| - <b>Overdue (gross book value amount)</b>   | --                | 17.999.348   | --                | 4.357.168   | --           | --                   |
| - Impairment (-)   | --                | (17.999.348) | --                | (4.357.168) | --           | --                   |
| - <i>The part of net value under guarantee with collateral etc</i>   | --                | --           | --                | --          | --           | --                   |
| <b>Non overdue (gross book value amount)</b>   | --                | --           | --                | --          | --           | --                   |
| Impairment (-)   | --                | --           | --                | --          | --           | --                   |
| - <i>The part of net value under guarantee with collateral</i>   | --                | --           | --                | --          | --           | --                   |
| <b>E. Factors Including Off-Balance Sheet Risk</b>   | --                | --           | --                | --          | --           | --                   |

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### **Liquidity risk**

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

As of 31 March 2022 liquidity risk table of the Group is as following:

| <b>Maturities According to Contract</b>     | <b>Book Value</b>    | <b>Cash outflow</b>  | <b>Overdue</b> | <b>Less than 3 months</b> | <b>Between 3-12 months</b> | <b>Between 1-5 years</b> | <b>More than 5 years</b> |
|---|----------------------|----------------------|----------------|---------------------------|----------------------------|--------------------------|--------------------------|
| <b>Non-Derivative Financial Liabilities</b> | <b>662.362.830</b>   | <b>674.546.620</b>   | --             | <b>172.696.463</b>        | <b>226.760.277</b>         | <b>270.568.680</b>       | <b>4.521.200</b>         |
| Financial liabilities                       | 662.362.830          | 674.546.620          | --             | 172.696.463               | 226.760.277                | 270.568.680              | 4.521.200                |
| <b>Expected Maturities</b>                  |                      |                      |                |                           |                            |                          |                          |
| <b>Non-Derivative Financial Liabilities</b> | <b>616.839.316</b>   | <b>655.548.080</b>   | --             | <b>643.656.091</b>        | <b>11.891.989</b>          | --                       | --                       |
| Trade payables                              | 616.096.840          | 654.805.604          | --             | 642.913.615               | 11.891.989                 | --                       | --                       |
| Other payables                              | 742.476              | 742.476              | --             | 742.476                   | --                         | --                       | --                       |
| <b>Total</b>                                | <b>1.279.202.146</b> | <b>1.330.094.700</b> | --             | <b>816.352.554</b>        | <b>238.652.266</b>         | <b>270.568.680</b>       | <b>4.521.200</b>         |

The table below shows the liquidity risk of the Group as of 31 December 2021;

| <b>Maturities According to Contract</b>     | <b>Book Value</b>  | <b>Cash outflow</b> | <b>Overdue</b> | <b>Less than 3 months</b> | <b>Between 3-12 months</b> | <b>Between 1-5 years</b> | <b>More than 5 years</b> |
|---|--------------------|---------------------|----------------|---------------------------|----------------------------|--------------------------|--------------------------|
| <b>Non-Derivative Financial Liabilities</b> | <b>415.186.780</b> | <b>458.869.882</b>  | --             | <b>69.321.564</b>         | <b>167.782.022</b>         | <b>216.707.604</b>       | <b>5.058.692</b>         |
| Financial liabilities                       | 415.186.780        | 458.869.882         | --             | 69.321.564                | 167.782.022                | 216.707.604              | 5.058.692                |
| <b>Expected Maturities</b>                  |                    |                     |                |                           |                            |                          |                          |
| <b>Non-Derivative Financial Liabilities</b> | <b>485.139.769</b> | <b>503.224.092</b>  | --             | <b>497.893.490</b>        | <b>5.330.602</b>           | --                       | --                       |
| Trade payables                              | 484.358.567        | 502.442.890         | --             | 497.112.288               | 5.330.602                  | --                       | --                       |
| Other payables                              | 781.202            | 781.202             | --             | 781.202                   | --                         | --                       | --                       |
| <b>Total</b>                                | <b>900.326.549</b> | <b>962.093.974</b>  | --             | <b>567.215.054</b>        | <b>173.112.624</b>         | <b>216.707.604</b>       | <b>5.058.692</b>         |

### **Interest rate risk**

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

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

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**Interest Rate Risk Sensitivity Analysis**

The Group's interest position is as follows;

|   |  | <b>31 March 2022</b> | <b>31 December 2021</b> |
|---|--|----------------------|-------------------------|
| <b>Fixed-rate financial instrument</b>          |  |                      |                         |
| Financial assets                                |  |                      |                         |
| -Assets of at fair value through profit or loss |  | --                   | --                      |
| -Time Deposits                                  |  | 1.461.363            | 28.790.009              |
| - Amortised cost                                |  | 324.309.982          | 231.159.375             |
| - Other   |  | 104.299.108          | 86.526.138              |
| Financial liabilities                           |  |                      |                         |
| Financial liabilities                           |  | 518.392.622          | 351.318.775             |
| - Amortised cost                                |  | 616.096.840          | 484.358.567             |
| - Other   |  | 742.476              | 781.202                 |
| <b>Floating interest financial instrument</b>   |  |                      |                         |
| Financial assets                                |  | --                   | --                      |
| Financial liabilities                           |  | 143.970.208          | 63.868.005              |

If the interest rates of the loans with variable interest rates were TRY and all other variables were 100 basis points (1%) higher / lower, the profit before tax for the period would be TRY 724.825 at 31 March 2022 due to higher / lower interest expenses it would be lower / higher. (31 December 2021 TRY 3.768.865)

**Capital risk management**

In capital management, the Group aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Group follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt.

As of 31 March 2022 and 31 December 2021 net debt / total equity ratio is as follows:

|                                    | <b>31 March 2022</b> | <b>31 December 2021</b> |
|------------------------------------|----------------------|-------------------------|
| Total debts                        | 1.627.012.233        | 1.189.603.547           |
| Less: Liquid assets                | (101.951.347)        | (111.399.760)           |
| <b>Net debt</b>                    | <b>1.525.060.886</b> | <b>1.078.203.787</b>    |
| <b>Total capital</b>               | <b>2.619.265.231</b> | <b>2.085.087.062</b>    |
| <b>Net Debt/Total Equity ratio</b> | <b>58%</b>           | <b>52%</b>              |

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### Foreign currency risk

The carrying amounts of foreign currency assets and liabilities held by the Group as of 31 March 2022 and 31 December 2021 are as follows:

|  | <b>31 March 2022</b>                     |                   |                     |               |                   |
|--|--|-------------------|---------------------|---------------|-------------------|
|  | TRY equivalent<br>functional<br>currency | USD               | EUR                 | GBP           | RUB               |
| 1. Trade Receivables   | 271.408.586                              | 12.211.592        | 5.229.668           | 18.000        | 40.200.000        |
| 2a. Monetary Financial Assets (including cash, banks)  | 11.804.082                               | 648.690           | 141.156             | 75            | --                |
| 2b. Non-monetary financial assets  | --                                       | --                | --                  | --            | --                |
| 3. Other   | 17.741.515                               | 947.628           | 236.329             | 445           | --                |
| <b>4. Current Assets (1+2+3)</b>   | <b>300.954.183</b>                       | <b>13.807.910</b> | <b>5.607.153</b>    | <b>18.520</b> | <b>40.200.000</b> |
| 5. Trade Receivables   | --                                       | --                | --                  | --            | --                |
| 6a. Monetary financial assets  | --                                       | --                | --                  | --            | --                |
| 6b. Non-monetary financial assets  | --                                       | --                | --                  | --            | --                |
| 7. Other   | 836.597                                  | 57.122            | --                  | --            | --                |
| <b>8. Non-Current Assets (5+6+7)</b>   | <b>836.597</b>                           | <b>57.122</b>     | <b>--</b>           | <b>--</b>     | <b>--</b>         |
| <b>9. Total Assets (4+8)</b>   | <b>301.790.780</b>                       | <b>13.865.032</b> | <b>5.607.153</b>    | <b>18.520</b> | <b>40.200.000</b> |
| 10. Trade Payables   | 135.247.814                              | 3.801.787         | 4.878.855           | 16            | --                |
| 11. Financial Liabilities  | 132.900.217                              | --                | 8.149.088           | --            | --                |
| 12a. Other monetary financial liabilities  | 7.947.163                                | 392.700           | 134.638             | --            | --                |
| 12b. Other non-monetary financial liabilities  | --                                       | --                | --                  | --            | --                |
| <b>13. Current Liabilities (10+11+12)</b>  | <b>276.095.194</b>                       | <b>4.194.487</b>  | <b>13.162.581</b>   | <b>16</b>     | <b>--</b>         |
| 14. Trade Payables   | --                                       | --                | --                  | --            | --                |
| 15. Financial Liabilities  | 100.108.596                              | --                | 6.138.393           | --            | --                |
| 16a. Other monetary financial liabilities  | --                                       | --                | --                  | --            | --                |
| 16b. Other non-monetary financial liabilities  | --                                       | --                | --                  | --            | --                |
| <b>17. Non-Current Liabilities (14+15+16)</b>  | <b>100.108.596</b>                       | <b>--</b>         | <b>6.138.393</b>    | <b>--</b>     | <b>--</b>         |
| <b>18. Total Liabilities (13+17)</b>   | <b>376.203.790</b>                       | <b>4.194.487</b>  | <b>19.300.974</b>   | <b>16</b>     | <b>--</b>         |
| <b>19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)</b>                           | <b>--</b>                                | <b>--</b>         | <b>--</b>           | <b>--</b>     | <b>--</b>         |
| <b>19a. Hedged amount of assets</b>  | <b>--</b>                                | <b>--</b>         | <b>--</b>           | <b>--</b>     | <b>--</b>         |
| <b>19b. Hedged amount of liabilities position</b>  | <b>--</b>                                | <b>--</b>         | <b>--</b>           | <b>--</b>     | <b>--</b>         |
| <b>20. Net foreign currency position asset / liabilities (9-18+19)</b>   | <b>(74.413.015)</b>                      | <b>9.670.545</b>  | <b>(13.693.821)</b> | <b>18.504</b> | <b>40.200.000</b> |
| <b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b> | <b>(92.991.122)</b>                      | <b>8.665.795</b>  | <b>(13.930.150)</b> | <b>18.059</b> | <b>40.200.000</b> |

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|  | 31 December 2021                            |                   |                     |               |                     |
|--|---|-------------------|---------------------|---------------|---------------------|
|  | TRY<br>equivalent<br>functional<br>currency | USD               | EUR                 | GBP           | RUB                 |
| 1. Trade Receivables   | 222.125.063                                 | 12.011.255        | 4.490.771           | 18.000        | --                  |
| 2a. Monetary Financial Assets (including cash, banks)  | 35.590.473                                  | 1.082.351         | 824.794             | 101           | 668.000             |
| 2b. Non-monetary financial assets  | --  | --                | --                  | --            | --                  |
| 3. Other   | 47.356.708                                  | 793.967           | 2.523.651           | --            | --                  |
| <b>4. Current Assets (1+2+3)</b>   | <b>305.072.244</b>                          | <b>13.887.573</b> | <b>7.839.216</b>    | <b>18.101</b> | <b>668.000</b>      |
| 5. Trade Receivables   | --  | --                | --                  | --            | --                  |
| 6a. Monetary financial assets  | --  | --                | --                  | --            | --                  |
| 6b. Non-monetary financial assets  | --  | --                | --                  | --            | --                  |
| 7. Other   | 1.076.847                                   | 82.978            | --                  | --            | --                  |
| <b>8. Non-Current Assets (5+6+7)</b>   | <b>1.076.847</b>                            | <b>82.978</b>     | <b>--</b>           | <b>--</b>     | <b>--</b>           |
| <b>9. Total Assets (4+8)</b>   | <b>306.149.091</b>                          | <b>13.970.551</b> | <b>7.839.216</b>    | <b>18.101</b> | <b>668.000</b>      |
| 10. Trade Payables   | 129.951.581                                 | 3.400.815         | 5.844.930           | 28            | --                  |
| 11. Financial Liabilities  | 143.003.356                                 | --                | 9.739.847           | --            | --                  |
| 12a. Other monetary financial liabilities  | 197.656.798                                 | 390.249           | 168.314             | --            | 13.464.000          |
| 12b. Other non-monetary financial liabilities  | --  | --                | --                  | --            | --                  |
| <b>13. Current Liabilities (10+11+12)</b>  | <b>470.611.735</b>                          | <b>3.791.064</b>  | <b>15.753.091</b>   | <b>28</b>     | <b>13.464.000</b>   |
| 14. Trade Payables   | --  | --                | --                  | --            | --                  |
| 15. Financial Liabilities  | 78.197.842                                  | --                | 5.325.994           | --            | --                  |
| 16a. Other monetary financial liabilities  | --  | --                | --                  | --            | --                  |
| 16b. Other non-monetary financial liabilities  | --  | --                | --                  | --            | --                  |
| <b>17. Non-Current Liabilities (14+15+16)</b>  | <b>78.197.842</b>                           | <b>--</b>         | <b>5.325.994</b>    | <b>--</b>     | <b>--</b>           |
| <b>18. Total Liabilities (13+17)</b>   | <b>548.809.577</b>                          | <b>3.791.064</b>  | <b>21.079.085</b>   | <b>28</b>     | <b>13.464.000</b>   |
| <b>19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)</b>                           | <b>--</b>                                   | <b>--</b>         | <b>--</b>           | <b>--</b>     | <b>--</b>           |
| <b>19a. Hedged amount of assets</b>  | <b>--</b>                                   | <b>--</b>         | <b>--</b>           | <b>--</b>     | <b>--</b>           |
| <b>19b. Hedged amount of liabilities position</b>  | <b>--</b>                                   | <b>--</b>         | <b>--</b>           | <b>--</b>     | <b>--</b>           |
| <b>20. Net foreign currency position asset / liabilities (9-18+19)</b>   | <b>(242.660.486)</b>                        | <b>10.179.487</b> | <b>(13.239.869)</b> | <b>18.073</b> | <b>(12.796.000)</b> |
| <b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b> | <b>(291.094.041)</b>                        | <b>9.302.542</b>  | <b>(15.763.520)</b> | <b>18.073</b> | <b>(12.796.000)</b> |

Details of the import and export amounts of the Group as of 31 March 2022 and 2021 are as follows;

|                       | 1 January – 31 March 2022 |                    | 1 January – 31 March 2021 |                   |
|-----------------------|---------------------------|--------------------|---------------------------|-------------------|
|                       | Import                    | Export             | Import                    | Export            |
| USD                   | 12.803.010                | 18.974.523         | 4.685.943                 | 4.664.225         |
| EUR                   | 9.335.160                 | 8.611.428          | 2.815.320                 | 1.952.044         |
| TRY                   | --                        | 2.483.484          | --                        | 405.395           |
| GBP                   | 71.959                    | --                 | --                        | --                |
| <b>TRY equivalent</b> | <b>223.677.949</b>        | <b>267.861.534</b> | <b>59.165.333</b>         | <b>52.399.569</b> |

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### Foreign Currency Risk Sensitivity Analysis

As of 31 March 2022, if TRY evaluates / devalues against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure is as below:

| <b>Foreign Currency Risk Sensitivity Analysis Table</b>          |                                  |                                  |
|--|----------------------------------|----------------------------------|
| 31 March 2022  |                                  |                                  |
|  | Profit / (Loss)                  |                                  |
|  | Appreciation of foreign currency | Depreciation of foreign currency |
| In case of appreciation / depreciation of USD against TRY at 10% |                                  |                                  |
| 1- USD net asset / liability                                     | 14.163.287                       | (14.163.287)                     |
| 2- Part of hedged from USD risk (-)                              | --                               | --                               |
| 3- USD net effect (1+2)  | 14.163.287                       | (14.163.287)                     |
| In case of appreciation / depreciation of EUR against TRY at 10% |                                  |                                  |
| 4- EUR net asset / liability                                     | (22.332.705)                     | 22.332.705                       |
| 5- Part of hedged from EUR risk (-)                              | --                               | --                               |
| 6- EUR net effect (4+5)  | (22.332.705)                     | 22.332.705                       |
| In case of appreciation / depreciation of GBP against TRY at 10% |                                  |                                  |
| 7-GBP net asset/liability  | 35.551                           | (35.551)                         |
| 8-Part of hedged from GBP risk (-)                               | --                               | --                               |
| 9-GBP net effect (7+8)   | 35.551                           | (35.551)                         |
| In case of appreciation / depreciation of RUB against TRY at 10% |                                  |                                  |
| 10-RUB net asset/liability                                       | 692.566                          | (692.566)                        |
| 11-Part of hedged from RUB risk (-)                              | --                               | --                               |
| 12-RUB net effect (10+11)  | 692.566                          | (692.566)                        |
| <b>Total (3+6+9+12)</b>  | <b>(7.441.301)</b>               | <b>7.441.301</b>                 |

| <b>Foreign Currency Risk Sensitivity Analysis Table</b>          |                                  |                                  |
|--|----------------------------------|----------------------------------|
| 31 December 2021   |                                  |                                  |
|  | Profit / (Loss)                  |                                  |
|  | Appreciation of foreign currency | Depreciation of foreign currency |
| In case of appreciation / depreciation of USD against TRY at 10% |                                  |                                  |
| 1- USD net asset / liability                                     | 13.210.429                       | (13.210.429)                     |
| 2- Part of hedged from USD risk (-)                              | --                               | --                               |
| 3- USD net effect (1+2)  | 13.210.429                       | (13.210.429)                     |
| In case of appreciation / depreciation of EUR against TRY at 10% |                                  |                                  |
| 4- EUR net asset / liability                                     | (19.439.173)                     | 19.439.173                       |
| 5- Part of hedged from EUR risk (-)                              | --                               | --                               |
| 6- EUR net effect (4+5)  | (19.439.173)                     | 19.439.173                       |
| In case of appreciation / depreciation of GBP against TRY at 10% |                                  |                                  |
| 7-GBP net asset/liability  | 31.543                           | (31.543)                         |
| 8-Part of hedged from GBP risk (-)                               | --                               | --                               |
| 9-GBP net effect (7+8)   | 31.543                           | (31.543)                         |
| In case of appreciation / depreciation of RUB against TRY at 10% |                                  |                                  |
| 10-RUB net asset/liability                                       | (18.068.848)                     | 18.068.848                       |
| 11-Part of hedged from RUB risk (-)                              | --                               | --                               |
| 12-RUB net effect (10+11)  | (18.068.848)                     | 18.068.848                       |
| <b>Total (3+6+9+12)</b>  | <b>(24.266.049)</b>              | <b>24.266.049</b>                |

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

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

**Financial Assets**

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

**Financial Liabilities**

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

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

**Effect of COVID-19 Outbreak on Group Operations**

Group has been implementing several contingency plans to mitigate the potential negative impacts of COVID-19 on the Group's operations and financial statements. It has been some partial hitches in sales process due to curfews and due to closure of some sales channels in countries that Group operates in parallel with the effects on global markets in terms of macro-economic uncertainty. Meanwhile Group has taken series of actions to minimize capital expenditures, expenses and inventory and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity figures. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and Group's operations.

Group management has evaluated the potential effects of COVID-19 and has reviewed the key assumptions concerning the future and other key sources of estimation uncertainty on the financial statements as of March 31, 2022. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, goodwill and bottling rights and did not anticipate any material impairment loss as of March 31, 2022.

**NOTE 35 – POST BALANCE SHEET EVENTS**

None. (31 December 2021: None).