

**EBEBEK MAĐAZACILIK A.Ő.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

**(ORIGINALLY ISSUED IN TURKISH)**



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Ebebek Mağazacılık A.Ş.

**A. Audit of the consolidated financial statements**

**1. Our opinion**

We have audited the accompanying consolidated financial statements of Ebebek Mağazacılık A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

**2. Basis for opinion**

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

**3. Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



| Key Audit Matters  | How the key audit matter was addressed in the audit  |
|--|--|
| <p data-bbox="261 491 545 520"><b>Revenue recognition</b></p> <p data-bbox="261 558 850 653">The Group operates in the mother and baby sector and had physical stores and e-commerce as of 31 December 2024.</p> <p data-bbox="261 688 850 852">In addition to being the most important financial statement line item for the retail industry, revenue is one of the most important criteria for evaluation of performance and the results of management strategies.</p> <p data-bbox="261 888 850 1182">The audit of revenue is a key audit matter since revenue amounting to respectively TRY 18,322,394,564 million for the years ended at 31 December 2024 are material to the financial statements. Additionally, completeness and accuracy of revenue transactions are difficult to audit due to the high volume of transactions resulting from the large number of stores and sales points.</p> | <p data-bbox="896 558 1463 588">The audit procedures included substantive tests.</p> <p data-bbox="896 623 1500 718">We developed an understanding of invoicing, order taking, refund and payment of revenue stream processes.</p> <p data-bbox="896 753 1479 821">We tested the recognition of daily transfers to the cash boxes on a sample basis.</p> <p data-bbox="896 856 1495 951">Regarding the correctness of customer invoices created, transactions realized through the systems were matched with the collections from customers.</p> <p data-bbox="896 987 1487 1150">Substantive analytical procedures were performed to assess variances in the revenue. Product and category based sales and gross margins were compared to prior periods and their consistency was evaluated.</p> <p data-bbox="896 1186 1484 1350">In addition to these, measurement of revenue and adequacy and compliance of related disclosures included in the accompanying consolidated financial statements were evaluated from TFRS standpoint</p> |

**4. Responsibilities of management and those charged with governance for the consolidated financial statements**

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.



## **5. Auditor's responsibilities for the audit of the consolidated financial statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **B. Other responsibilities arising from regulatory requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 20 February 2025.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökhan Yüksel, SMMM  
Independent Auditor

Istanbul, 20 February 2025

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

**EBEBEK MAĞAZACILIK A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024**

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

EBEBEK MAĞAZACILIK A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

|  | Notes | Current period<br>31 December 2024 | Prior period<br>31 December 2023 |
|--|-------|------------------------------------|----------------------------------|
| <b>ASSETS</b>                            |       |                                    |                                  |
| <b>Current assets</b>                    |       | <b>6,502,991,775</b>               | <b>6,393,730,790</b>             |
| Cash and cash equivalents                | 4     | 1,273,098,970                      | 1,250,485,686                    |
| Financial investments                    | 17    | 117,841,844                        | 174,746,250                      |
| Trade receivables                        |       |                                    |                                  |
| - Trade receivables from related parties | 5     | 73,138,129                         | 62,321,575                       |
| Other receivables                        |       |                                    |                                  |
| - Other receivables from third parties   | 8     | 2,651,934                          | 4,487,494                        |
| Inventories                              | 10    | 4,328,706,817                      | 3,942,953,668                    |
| Prepaid expenses                         | 6     | 447,378,176                        | 573,872,419                      |
| Other current assets                     | 7     | 260,175,905                        | 384,863,698                      |
| <b>Non-current assets</b>                |       | <b>3,551,157,409</b>               | <b>2,645,125,981</b>             |
| Other receivables                        |       |                                    |                                  |
| - Other receivables from third parties   | 8     | 37,905,009                         | 1,197,307                        |
| Property, plant and equipment            | 11    | 1,697,008,306                      | 1,303,046,496                    |
| Intangible assets                        |       |                                    |                                  |
| - Other intangible assets                | 12    | 281,339,365                        | 121,706,569                      |
| - Goodwill                               | 3     | 224,069,938                        | 224,069,938                      |
| Right-of-use-assets                      | 13    | 1,268,578,156                      | 978,406,537                      |
| Prepaid expenses                         | 6     | 42,256,635                         | 16,699,134                       |
| <b>Total assets</b>                      |       | <b>10,054,149,184</b>              | <b>9,038,856,771</b>             |

These consolidated financial statements were signed by Board of Directors to be issued on 20 February 2025. The consolidated financial statements will be finalized with the approval of the General Assembly.

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

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

**EBEBEK MAĞAZACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

|  | Notes | Current period<br>31 December 2024 | Prior period<br>31 December 2023 |
|--|-------|------------------------------------|----------------------------------|
| <b>LIABILITIES</b>   |       |                                    |                                  |
| <b>Short term liabilities</b>  |       | <b>5,410,057,044</b>               | <b>4,468,317,923</b>             |
| Short-term borrowings  | 14    | 611,785,306                        | 662,603,259                      |
| Lease liabilities  | 14    | 160,407,537                        | 160,414,299                      |
| Trade payables   |       |                                    |                                  |
| - Trade payables to related parties  | 5, 27 | 26,981,859                         | 30,906,762                       |
| - Trade payables to third parties  | 5     | 4,325,974,415                      | 3,394,399,530                    |
| Employee benefit obligations   | 18    | 127,825,758                        | 79,424,858                       |
| Current income tax liabilities   | 26    | 86,355,648                         | 58,397,669                       |
| Short-term provisions  |       |                                    |                                  |
| - Provisions for employee benefits   |       | 6,512,276                          | 4,773,387                        |
| Deferred income  | 9     | 43,047,994                         | 47,067,007                       |
| Other short term liabilities   | 15    | 21,166,251                         | 30,331,152                       |
| <b>Long term liabilities</b>   |       | <b>1,019,889,102</b>               | <b>914,350,596</b>               |
| Lease liabilities  | 14    | 579,081,281                        | 607,515,628                      |
| Long-term provisions   |       |                                    |                                  |
| - Provisions for employee benefits   | 18    | 53,930,019                         | 52,410,369                       |
| - Other long term provision  |       | 31,871,186                         | 26,595,558                       |
| Deferred income  | 9     | 3,152,251                          | 6,168,310                        |
| Deferred tax liability   | 25    | 351,854,365                        | 208,955,399                      |
| Other long term liabilities  |       | -                                  | 12,705,332                       |
| <b>Equity</b>  |       |                                    |                                  |
| <b>Equity holders of the parent</b>  |       | <b>3,653,775,952</b>               | <b>3,654,379,551</b>             |
| Paid-in capital  | 19    | 160,000,000                        | 160,000,000                      |
| Adjustment to share capital  | 19    | 303,544,933                        | 303,544,933                      |
| Share premium  | 19    | 1,649,325,480                      | 1,649,325,480                    |
| Restricted reserves  | 19    | 29,393,922                         | 4,506,521                        |
| Other comprehensive income or<br>expenses not to be reclassified to profit or loss |       |                                    |                                  |
| - Actuarial losses arising from<br>defined benefit plans                           |       | (38,602,059)                       | (23,013,021)                     |
| Other comprehensive income or<br>expenses to be reclassified to profit or loss     |       |                                    |                                  |
| - Currency translation differences   |       | (8,368,252)                        | 11,312,652                       |
| Retained earnings  |       | 1,442,497,494                      | 1,112,535,632                    |
| Net income for the period  |       | 115,984,434                        | 436,167,354                      |
| Non-controlling interests  |       | (29,572,914)                       | 1,808,701                        |
| <b>Total equity</b>  |       | <b>3,624,203,038</b>               | <b>3,656,188,252</b>             |
| <b>Total liabilities and equity</b>  |       | <b>10,054,149,184</b>              | <b>9,038,856,771</b>             |

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

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

**EBEBEK MAĞAZACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

|   | Notes     | 1 January -<br>31 December 2024 | 1 January -<br>31 December 2023 |
|---|-----------|---------------------------------|---------------------------------|
| Net sales   | 20        | 18,322,394,564                  | 16,400,066,401                  |
| Cost of sales (-)   | 20,21     | (11,809,750,739)                | (11,780,246,930)                |
| <b>Gross profit</b>   |           | <b>6,512,643,825</b>            | <b>4,619,819,471</b>            |
| Marketing expenses (-)  | 21        | (4,263,060,979)                 | (3,597,472,104)                 |
| General administrative expenses (-)   | 21        | (660,844,168)                   | (580,669,799)                   |
| Other income from operating activities  | 22        | 34,297,283                      | 41,587,513                      |
| Other expenses from operating activities (-)  | 22        | (1,645,007,553)                 | (1,084,126,305)                 |
| <b>Operating profit</b>   |           | <b>(21,971,592)</b>             | <b>(600,861,224)</b>            |
| Income from investment activities   | 23        | 63,537,033                      | 102,177,353                     |
| <b>Operating loss before financial expense</b>  |           | <b>41,565,441</b>               | <b>(498,683,871)</b>            |
| Financial income  |           | -                               | 4,122,539                       |
| Financial expenses  | 24        | (568,308,778)                   | (528,330,332)                   |
| Net monetary position gain/(loss)   | 25        | 863,314,451                     | 1,677,905,390                   |
| <b>Profit from continuing operations before tax</b>   |           | <b>336,571,114</b>              | <b>655,013,726</b>              |
| Current tax expense for the period (-)  | 26        | (105,483,850)                   | (127,944,251)                   |
| Deferred tax income/(expense)   | 26        | (146,484,445)                   | (90,475,858)                    |
| <b>Net profit from continuing operations</b>  |           | <b>84,602,819</b>               | <b>436,593,617</b>              |
| <b>Profit / (Loss) Distribution</b>   |           |                                 |                                 |
| - Non-controlling interests   |           | (31,381,615)                    | 426,263                         |
| - Equity holders of the parent  |           | 115,984,434                     | 436,167,354                     |
| <b>Earnings per share</b>   | <b>28</b> | <b>0,72</b>                     | <b>2,73</b>                     |
| <b>OTHER COMPREHENSIVE INCOME</b>   |           |                                 |                                 |
| <b>Not to be reclassified to profit or loss</b>   |           |                                 |                                 |
| Gain/ loss arising from defined benefit plans   |           | (19,174,517)                    | 81,498,754                      |
| Total taxes on other comprehensive expense<br>that will not be reclassified to profit or loss |           | 3,585,479                       | (13,583,125)                    |
| <b>To be reclassified to profit or loss</b>   |           |                                 |                                 |
| Currency translation differences  |           | (19,680,904)                    | 12,679,444                      |
| <b>OTHER COMPREHENSIVE INCOME</b>   |           | <b>(35,269,942)</b>             | <b>80,595,073</b>               |
| <b>TOTAL COMPREHENSIVE INCOME</b>   |           | <b>49,332,877</b>               | <b>517,188,690</b>              |
| <b>Distribution of total comprehensive income</b>   |           |                                 |                                 |
| - Non-controlling interests   |           | (31,381,615)                    | 426,263                         |
| - Equity holders of the parent  |           | 80,714,492                      | 516,762,427                     |

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

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**EBEBEK MAĞAZACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

|  | Paid-in capital    | Adjustment to share capital | Share premium        | Restricted reserves | Other comprehensive income that will not be reclassified in profit or loss<br>Actuarial losses arising from defined benefit plans | Other comprehensive income that be reclassified in profit or loss<br>Currency translation differences | Retained earnings    | Net income for the period | Equity holders of the parent | Non-controlling interests | Total equity         |
|--|--------------------|-----------------------------|----------------------|---------------------|---|---|----------------------|---------------------------|------------------------------|---------------------------|----------------------|
| <b>Balances as of January 1, 2023</b>  | <b>17,500,000</b>  | <b>161,398,671</b>          | -                    | <b>1,572,207</b>    | <b>(90,928,650)</b>   | <b>(1,366,792)</b>  | <b>974,303,162</b>   | <b>388,977,622</b>        | <b>1,451,456,220</b>         | <b>1,382,438</b>          | <b>1,452,838,658</b> |
| Capital increase                       | 142,500,000        | 142,146,262                 | -                    | -                   | -   | -   | (247,810,838)        | -                         | 36,835,424                   | -                         | 36,835,424           |
| Transfers                              | -                  | -                           | -                    | 2,934,314           | -   | -   | 386,043,308          | (388,977,622)             | -                            | -                         | -                    |
| Share premium                          | -                  | -                           | 1,649,325,480        | -                   | -   | -   | -                    | -                         | 1,649,325,480                | -                         | 1,649,325,480        |
| Total comprehensive income             | -                  | -                           | -                    | -                   | 67,915,629  | 12,679,444  | -                    | 436,167,354               | 516,762,427                  | 426,263                   | 517,188,690          |
| <b>Balances as of 31 December 2023</b> | <b>160,000,000</b> | <b>303,544,933</b>          | <b>1,649,325,480</b> | <b>4,506,521</b>    | <b>(23,013,021)</b>   | <b>11,312,652</b>   | <b>1,112,535,632</b> | <b>436,167,354</b>        | <b>3,654,379,551</b>         | <b>1,808,701</b>          | <b>3,656,188,252</b> |
| <b>Balances as of January 1, 2024</b>  | <b>160,000,000</b> | <b>303,544,933</b>          | <b>1,649,325,480</b> | <b>4,506,521</b>    | <b>(23,013,021)</b>   | <b>11,312,652</b>   | <b>1,112,535,632</b> | <b>436,167,354</b>        | <b>3,654,379,551</b>         | <b>1,808,701</b>          | <b>3,656,188,252</b> |
| Transfers                              | -                  | -                           | -                    | 24,887,401          | -   | -   | 411,279,953          | (436,167,354)             | -                            | -                         | -                    |
| Dividend paid                          | -                  | -                           | -                    | -                   | -   | -   | (81,318,091)         | -                         | (81,318,091)                 | -                         | (81,318,091)         |
| Total comprehensive income             | -                  | -                           | -                    | -                   | (15,589,038)  | (19,680,904)  | -                    | 115,984,434               | 80,714,492                   | (31,381,615)              | 49,332,877           |
| <b>Balances as of 31 December 2024</b> | <b>160,000,000</b> | <b>303,544,933</b>          | <b>1,649,325,480</b> | <b>29,393,922</b>   | <b>(38,602,059)</b>   | <b>(8,368,252)</b>  | <b>1,442,497,494</b> | <b>115,984,434</b>        | <b>3,653,775,952</b>         | <b>(29,572,914)</b>       | <b>3,624,203,038</b> |

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

**(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)  
EBEBEK MAĞAZACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

|  | Notes    | Current period<br>31 December 2024 | Prior period<br>31 December 2023 |
|--|----------|------------------------------------|----------------------------------|
| <b>A. Cash flows from operating activities</b>   |          | <b>1,870,898,249</b>               | <b>767,695,862</b>               |
| Net income for the period  |          | 84,602,819                         | 436,593,617                      |
| <b>Adjustments to reconcile net profit</b>   |          | <b>168,472,615</b>                 | <b>(199,022,562)</b>             |
| Depreciation and amortization expenses   | 11,12,13 | 565,757,976                        | 598,723,527                      |
| Corrections regarding provisions   |          | 21,926,238                         | 10,685,307                       |
| - Adjustments regarding provisions for employee benefits   |          | 14,911,721                         | 13,898,179                       |
| - Corrections regarding warranty provisions  |          | 7,014,517                          | (3,212,872)                      |
| Adjustments for stock impairment   | 10       | 354,172                            | (11,547,679)                     |
| Adjustments regarding financing (income)/expenses  |          | 568,308,778                        | 524,207,793                      |
| - Corrections regarding financial income   | 24       | --                                 | (4,122,539)                      |
| - Corrections regarding financial expenses   | 24       | 568,308,778                        | 528,330,332                      |
| Adjustments resulting from the sale of tangible assets,  | 23       | (7,768,744)                        | (50,828,161)                     |
| Adjustments for other items that give rise to  |          |                                    |                                  |
| cash flows from investing or financing activities  |          | (55,768,289)                       | (51,349,192)                     |
| Adjustments related to tax expense   | 26       | 251,968,295                        | 218,420,109                      |
| Monetary gain/(loss)   |          | (1,176,305,811)                    | (1,437,334,266)                  |
| <b>Changes in net working capital</b>  |          | <b>1,722,715,431</b>               | <b>621,946,148</b>               |
| Adjustments for (increase)/decrease in trade receivables   |          | (29,972,798)                       | (10,916,078)                     |
| Adjustments for (increase)/decrease in inventories   |          | (386,107,321)                      | (376,802,140)                    |
| Adjustments for (increase)/decrease in prepaid expenses  |          | 126,494,243                        | (384,113,117)                    |
| Adjustments for (increase)/decrease in trade payables  |          | 1,980,511,725                      | 1,479,711,913                    |
| Adjustments for (increase)/decrease in other receivables   |          | (34,872,142)                       | 7,532,843                        |
| Adjustments for Increase (decrease) in employee benefit liabilities                                    |          | 72,814,306                         | 49,472,485                       |
| Other adjustments related to decrease (increase) in net working capital                                |          | (6,152,582)                        | (142,939,758)                    |
| <b>Cash generated from operations</b>  |          | <b>1,975,790,865</b>               | <b>859,517,203</b>               |
| Payments related to provisions for employee benefits   | 18       | (32,390,421)                       | (22,269,058)                     |
| Taxes paid   |          | (72,502,195)                       | (69,552,283)                     |
| <b>B. Cash flows from investing activities</b>   |          | <b>(890,901,390)</b>               | <b>(751,266,908)</b>             |
| Cash inflows from the sale of tangible and intangible assets   |          |                                    |                                  |
| - Cash flow from sale of tangible assets   |          | 15,054,008                         | 82,595,577                       |
| - Cash flow from sale of intangible assets   |          | 15,054,008                         | 82,595,577                       |
| Cash outflows from the purchase of tangible and intangible assets                                      |          | (939,357,544)                      | (710,465,427)                    |
| - Cash outflow from purchase of tangible assets  | 11       | (713,571,647)                      | (597,043,963)                    |
| - Cash outflow from purchase of intangible assets  | 12       | (225,785,897)                      | (113,421,464)                    |
| Advances given   |          | (25,557,501)                       | --                               |
| Cash inflows for the acquisition of shares or debt instruments   |          |                                    |                                  |
| of other businesses or funds   |          | 58,959,647                         | --                               |
| Cash outflows for the acquisition of shares or debt instruments  |          |                                    |                                  |
| of other businesses or funds   |          | --                                 | (123,397,058)                    |
| <b>C. Cash flows from financing activities</b>   |          | <b>(553,331,632)</b>               | <b>1,143,837,595</b>             |
| Proceeds from borrowings   | 30       | 1,200,748,627                      | 1,890,106,303                    |
| Repayments of borrowings   | 30       | (1,081,783,683)                    | (1,689,636,430)                  |
| Cash inflows from share issuance   |          | --                                 | 1,534,653,788                    |
| Cash outflows related to debt payments arising from lease agreements                                   | 30       | (288,207,132)                      | (224,146,141)                    |
| Interest paid  |          | (384,089,444)                      | (367,139,925)                    |
| <b>D. Inflation impact on cash and cash equivalents</b>  |          | <b>(384,371,039)</b>               | <b>(50,224,723)</b>              |
| <b>Net increase in cash and cash equivalents before<br/>currency translation differences (A+B+C+D)</b> |          | <b>42,294,188</b>                  | <b>1,110,041,826</b>             |
| <b>E. Currency translation differences</b>   |          | <b>(19,680,904)</b>                | <b>12,679,444</b>                |
| <b>F. Cash and cash equivalents at the beginning of the year</b>                                       | <b>4</b> | <b>1,250,485,686</b>               | <b>127,764,416</b>               |
| <b>Cash and cash equivalents at the end of the year (A+B+C+D+E)</b>                                    |          | <b>1,273,098,970</b>               | <b>1,250,485,686</b>             |

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

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**NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP**

Ebebek Mağazacılık A.Ş. (“ebebek” or the “Company”) was established on June 1, 2000 by Halil Erdoğan, as En Ucuz Tekstil Gıda Ürünleri Pazarlama Sanayi ve Tic. Ltd. and registered as incorporated company on August 5, 2010. On December 2, 2011, the majority shares of the Company were acquired by Topbaş Family. On 25 December 2017, the title of the Company was changed to Ebebek Mağazacılık A.Ş. The main operation of the Company is the retailing of mother-baby products under “ebebek” brand. The Company aims to meet all the needs of the mother and the baby from prenatal period to 4 years of age. The Company carries out its sales through stores and e-commerce channels.

The registered address of the Company is İçerenköy Mah, Degirmenyolu Cad, No: 37 D: 6 Ataşehir, Istanbul. The main shareholders of the Company are Topbaş Family.

The Company and its subsidiaries together are referred to as the “Group”.

The Company has 270 stores in Turkey and 1 store in United Kingdom as of December 31, 2024 (December 31, 2023: 235 stores in Turkey).

In 2015, the Company acquired Batiege Kozmetik İthalat İhracat Ltd. Şti. (“Batiege”) , a retail merchandising company that owned “Hello Baby” brand. On December 31, 2015 Batiege was merged with ebebek.

On December 17, 2021 ; share purchase agreement was signed to acquire Tuna Çocuk Gereçleri A.Ş. (“Tuna Çocuk”)’s shares with Tuna Çocuk’s shareholders. Based on the Board of Directors' decision dated January 19, 2022, the company purchased the 70% of Tuna Çocuk’s shares. Tuna Çocuk is producing products in baby vehicles category.

The company's shares started trading on Borsa Istanbul as of September 7, 2023.

As of 31 December 2024, the number of employees of the Company is 4,690 (December 31, 2023: 3,961). As of 31 December 2024, the number of employees of the Group is 4,909 (December 31, 2023: 4,151).

**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

**2.1 Basis of preparation**

**Basis of preparation of the financial statements**

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

The consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of preparation (Continued)**

**Financial reporting in hyperinflationary economy**

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRS’s have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2023, on the purchasing power basis as of 31 December 2024. Pursuant to the decision of the Capital Markets Board (SPK) dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of 31 December 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

| <b>Year end</b>  | <b>Index</b> | <b>Conversion factor</b> | <b>Three-year inflation rate</b> |
|------------------|--------------|--------------------------|----------------------------------|
| 31 December 2024 | 2,684,55     | 1,00000                  | %291                             |
| 31 December 2023 | 1,859,38     | 1,44379                  | %268                             |
| 31 December 2022 | 1,128,45     | 2,37897                  | %156                             |

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

Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 “Impairment of Assets” and IAS 2 “Inventories” are applied, respectively.

Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of preparation (Continued)**

All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

**Functional Currency and Financial Statement Presentation Currency**

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TRY, which is the functional currency of ebebek and the presentation currency of the Group.

**Financial Statements of Subsidiaries Operating in Foreign Countries**

The Financial statements of subsidiaries operating in countries other than Turkey are compiled by the TAS/IFRS promulgated by the POA to reflect the proper presentation and content. Subsidiaries’ assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet date rates are recognised in the “currency translation difference” under the use of equity. As of 31 December 2024; 35,2803 TRY, 35,3438 TRY and 32, 7825 TRY for the period-end purchase, period-end sales and average US dollar exchange rate used during the consolidation in foreign countries, for the Euro exchange rate 36, 7362 TRY, 36, 8024 TRY and 35,4779 TRY, for British pounds 44,2073 TRY, 44,4378 TRY, 41,8466 TRY were used, (December 31, 2023: 29,4382 TRY, 29,4913 TRY and 23,7482 TRY for the USD exchange rate, 32,5739 TRY, 32,6326 TRY, 25,6852 TRY for the Euro exchange rate, 37,4417 TRY, 37,6369 TRY, 29,5278 TRY for the British pound).

**Consolidation Principles**

- a) The consolidated financial statements include the accounts of the parent company, ebebek, and its Subsidiaries on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements and are based on the statutory records with adjustments and reclassifications for the purpose of presentation in conformity TAS/IFRS promulgated by the POA as set out in the communiqué numbered II-14.1, and Group accounting and disclosure policies.
- b) Subsidiaries are the companies controlled by ebebek when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
- c) Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of preparation (Continued)**

The statement of financial position and statements profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by ebebek and its Subsidiaries is eliminated against the related shareholders’ equity. Intercompany transactions and balances between ebebek and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by ebebek in its Subsidiaries are eliminated from shareholders’ equity and income for the year, respectively.

As of 31 December 2024 and 31 December 2023, the effective shareholding ratios of ebebek in Subsidiaries included in the scope of consolidation are shown below:

|   | <b>31 December 2024</b> | <b>31 December 2023</b> |
|---|-------------------------|-------------------------|
| Ebebek Deutschland Retail Services GmbH | % 100                   | % 100                   |
| Ebebek USA Retail Services Inc          | % 100                   | % 100                   |
| Ebebek UK Retail Services LTD           | % 100                   | % 100                   |
| Tuna Çocuk                              | % 70                    | % 70                    |

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**Going concern**

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

**Offsetting**

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

**Comparative information and restatement of prior period financial statements**

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

The Group has applied consistent accounting policies in its consolidated financial statements for the periods presented, and there are no significant changes in accounting policies and estimates in the current period.

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made, if it relates to future periods, both in the period in which the change is made and prospectively.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

a) *Standards, amendments, and interpretations applicable as of 31 December 2024:*

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

Additionally, in the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority (KGK) published in the Official Gazette on December 29, 2023, it was announced that certain enterprises would be subject to mandatory sustainability reporting as of January 1, 2024. Under the Board Decision dated January 5, 2024, titled "Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)," enterprises falling within the scope of sustainability practices are listed to determine those subject to sustainability reporting. On the other hand, under the Board Decision dated December 16, 2024, titled "Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)," changes have been made regarding the enterprises subject to sustainability reporting.

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NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1 Basis of preparation (Continued)

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

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of preparation (Continued)**

- the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- 
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
    - it does not have public accountability; and
    - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The impacts of these changes on the Group's financial position and performance are being assessed.

**2.2 Summary of significant accounting policies**

**Related parties**

Parties are considered related to the Company if;

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - Has control or joint control over the reporting entity.
  - Has significant influence over the reporting entity or
  - Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
  
- (b) The Group and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
  - The Group and the company are members of the same group.
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - Both entities are joint ventures of the same third party.
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

- The Group is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity, If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified in (a).
- A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

**Financial instruments**

*Classification and measurement*

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

*Financial assets recognized at amortized cost*

Financial assets that are not quoted in an active market and are not derivative instruments that have fixed or determinable payments, in which management has adopted the contractual cash flow collection business model and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as assets accounted for at amortized cost. . If their maturities are shorter than 12 months from the balance sheet date, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include “trade receivables” and “cash and cash equivalents” items in the statement of financial position.

**Trade payables**

Trade payables represent the payments to be made for goods and services provided from suppliers in ordinary activities. Trade payables are measured initially at fair value and subsequently at amortized cost using the effective interest method.

**Trade receivables**

Trade receivables are initially recorded at their fair values and subsequently measured at amortized cost using the effective interest method (Note 5). If there is a situation that indicates that the Group will not be able to collect the amounts due, a specific risk provision is established for trade receivables. The amount of this provision is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows, including the amounts that

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable, If the amount of impairment decreases due to a situation that will occur after writing off, the said amount is reflected in the income statement in the current period.

The Group has chosen to apply the “simplified approach” defined in TFRS 9 within the scope of the impairment calculations of its trade receivables (with a maturity of less than 1 year) which are accounted at amortized cost in its consolidated financial statements and do not contain a significant financing component. With this approach, the Group measures the provision for losses on trade receivables at an amount equal to “lifetime expected credit losses”, unless the trade receivables are impaired for certain reasons (other than realized impairment losses).

The Group uses a provision matrix to measure expected credit losses on trade receivables, In the relevant matrix, certain reserve ratios are calculated depending on the number of days the trade receivables are overdue, and these ratios are reviewed in each reporting period and revised when necessary. The change in the expected loan loss provisions is recognized in the “other operating income/(expenses)” account in the income statement.

**Inventories**

Inventories are valued at the lower of cost or net realizable value, The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labour 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 .

**Revenue recognition**

Group fulfills or fulfills a performance obligation by transferring a promised good or service to its customer, it records the revenue in its financial statements. An asset is transferred when (or when) control of an asset is transferred to the customer.

The Group records revenue in its financial statements in line with the following basic principles:

- (a) Determining contracts with customers
- (b) Determining performance obligations in the contract
- (c) Determining the transaction price in the contract
- (d) Allocating the transaction price to the performance obligations in the contract
- (e) Recognition of revenue when each performance obligation is satisfied

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**Sales of goods – Store and E-Commerce**

The Group sells mother and baby clothing & textile, baby room, bath & care, cloth & handkerchief, toys & book products directly to customers in its own stores. In the e-commerce and wholesale channel, when the products are sent to the delivery address, when the control is transferred, it is reflected in the financial statements as income. It is recognized as a receivable in the financial statements at the same time. A receivable is an entity's unconditional right to receive consideration. The right to receive the price is unconditional if the collection of the price depends only on one maturity. Retail sales are recognized as revenue when the customer purchases the goods at the retail store, in other words, when control of the goods is transferred. The transaction price is reflected in the financial statements as soon as the customers receive the goods.

**Sales under warranty**

Warranty expenses include repair and maintenance expenses, exchange expenses for goods sold under warranty, as well as labor and material costs incurred without charging the customer. Warranty expenses incurred as a result of estimates based on historical data regarding potential returns and repair levels for products recorded as revenue in the current period are accounted for in the current period.

**Return of sales**

The sale of products to the customer is within 14 days for online sales, and within 7 days for sales made through the store, with the right to return within the framework of the Group's return policies. The Group has not accounted for any provision for returns due to the materiality principle, taking into account the periods determined within the framework of the return policies.

**Property, plant and equipment**

Property, plant and equipment are recorded at cost less accumulated depreciation and, if any, accumulated impairment losses.

The cost value of the property, plant and equipment consist of purchase price, import duties and expenses incurred to prepare the property, plant and equipment ready for use.

Property, plant and equipment are depreciated over their expected useful lives using the straight-line method. The expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

Depreciation is calculated on a pro-rata basis according to the straight-line depreciation method, taking into account the economic life of property, plant and equipment. The depreciation periods are as follows:

|                         | <b>(Year)</b> |
|-------------------------|---------------|
| Buildings               | 50            |
| Machinery and equipment | 3 - 12        |
| Furniture and fixtures  | 3 - 15        |
| Vehicles                | 3 - 10        |
| Leasehold improvements  | 2 - 10        |

---

Leasehold improvements are depreciated on a straight-line basis over the shortest of the lease terms or their useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if necessary.

*Other intangible assets*

Other intangible assets purchased by the Group with limited useful lives are recorded at cost less accumulated amortization. Amortization of intangible assets are recognized in profit or loss over their estimated useful lives from the date they are ready for use, using the straight-line depreciation method.

In the current and comparative years, the estimated useful lives of intangible assets are between one and four years. Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if necessary.

**Business Combinations**

Business combinations are accounted for using the acquisition method. In this method, the acquisition cost is measured as the sum of the fair value of the consideration transferred at the acquisition date and the non-controlling interest in the business. The transferred consideration is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, the liabilities assumed by the Group to the previous owners of the business and the equity interests issued by the Group.

If the business combination agreement contains provisions that the cost can be adjusted depending on future events; the acquisition date fair value of this contingent consideration is included in the acquisition cost. All transaction costs incurred by the Group during the acquisition are expensed in the general administrative expenses account.

When the Group acquires a business, it makes classifications and determinations of the acquired financial assets and liabilities based on the contractual provisions, economic conditions and all other relevant conditions at the acquisition date.

The acquisition method requires allocating the acquisition cost to the fair values of the purchased assets, liabilities and contingent liabilities at the date of purchase. The assets, liabilities and contingent liabilities of the acquired companies, determined in accordance with TFRS 3, are reflected to the records at their fair values on the date of purchase. The acquired company is included in the profit or loss statement from the date of acquisition.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**Goodwill**

Goodwill is measured as the difference between the consideration measured at fair value and the net amount of the fair value of the identifiable assets and liabilities of the acquired company within the scope of TFRS 3

If the consideration measured at fair value is less than the fair value of the net identifiable assets of the company, the difference is recorded as income.

After goodwill is initially recognized, it is accounted with the value after deducting any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if an impairment is likely to occur. Provision for impairment of goodwill is recognized directly in the consolidated statement of profit or loss and other comprehensive income, Provision for impairment of goodwill is not canceled in subsequent periods.

**Impairment of assets**

At each reporting date, the Group assesses whether there is any indication that an asset other than deferred tax asset and financial assets at fair value may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognized immediately in profit or loss.

An impairment loss recognized in prior period for an asset is reversed if there is a subsequent increase in the asset’s recoverable amount. Such a reversal amount cannot be higher than the previously recognized impairment loss.

**Borrowings**

Borrowings are accounted at the date they are received, after deducting the transaction expenses from the financial debt amount received. After initial recognition, borrowings are accounted in the financial statements with their discounted values calculated with the effective interest rate.

**Derecognition of financial instruments**

The Group accounts a financial asset or liability only when it is a party to its contractual obligations related to that instrument, and removes the related financial asset or liability from its accounts when its control over the asset or contractual liability ceases.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**Provisions, contingent liabilities and contingent assets**

*Provisions*

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. No provision is recognized for operating losses expected in later periods.

*Contingent liabilities and assets*

Contingent liabilities are not accounted in the financial statements and are explained in the footnotes if the situation requiring resource transfer is not highly probable. Contingent assets, on the other hand, are disclosed in the footnotes if there is a high probability of generating economic returns.

**Employee benefits**

*Defined benefit plan*

In accordance with the current labor law in Turkey, the Group is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior.

The Group has calculated the severance pay provision in the accompanying financial statements using the "Projection Method" and based on the Group's past experience, and discounted it with the government bond earnings rate at the balance sheet date, All calculated actuarial gains and losses are reflected in other comprehensive income/(expense).

*Defined contribution plan*

The Group pays compulsory social security premiums to the Social Security Institution in Turkey, The Group has no other obligations as long as it pays these premiums. These premiums are reflected in personnel expenses in the period they are accrued.

*Provision for vacation pay liability*

Since the Group expects all provision for vacation pay liability to be fulfilled within more than twelve months following the annual reporting period, such provisions are accounted in the long-term provisions for employee benefits.

*Premium provision*

The Group accounts for premiums to be paid to employees in line with the individual annual performance targets it has determined.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

**Dividend**

Dividend payables are recognized in the separate financial statements in the period they are declared as part of the profit distribution.

**Taxes on income**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders’ equity.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

The principal temporary differences arise from the carrying values of property, plant and equipment, various provisions and unused tax allowances and exemptions.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax asset is reviewed in each balance sheet period and in cases where it is not possible to generate sufficient financial profit for future use of deferred tax asset, its carrying value is reduced.

In the calculation of the deferred tax assets and liabilities, the tax rates that will be valid on the dates that the Group considers that these temporary differences can be used are used. If the deferred tax is related to transactions directly associated with equity in the same or different period , it is directly associated with the equity.

Provided that they are subject to the tax legislation of the same country and belong to the same taxpayer, if there is a legally enforceable right to deduct current tax assets from current tax liabilities, deferred tax assets and deferred tax liabilities are mutually offset.

**Foreign currency transactions and balances**

Transactions in foreign currency during the period are translated into the functional currency at the exchange rates prevailing on the dates of the transactions. The foreign exchange gains and losses arising from the year-end exchange rate conversion of these transactions and monetary assets and liabilities denominated in foreign currency are recognized in the the statement of profit or loss.

**Cash flow statement**

In the cash flow statement, cash flows for the period are classified and reported on the basis of operating, investing and financing activities.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

Cash flows from operating activities represent the cash flows from the Group's operations.

Cash flows related to investing activities represent the cash flows used by the Group in investment activities (fixed assets and financial investments) and obtained from these activities.

Cash flows related to financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Cash and cash equivalents include cash and bank deposits and short-term, highly liquid investments with original maturity of 3 months or less that can be easily converted into cash.

**Leases**

*Right of use assets*

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

- a) The amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received,
- c) Any initial direct costs incurred by the Group, and
- d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)

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

- a) After netting-off accumulated depreciation and impairment losses from right of use asset,
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value ,

The Group applies TAS16 “Property, Plant and Equipment” to amortize the right of use asset and to asses for any impairment.

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

*Lease liability*

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

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of significant accounting policies (Continued)**

After initial recognition, the lease liability is measured:

- a) Increasing the carrying amount to reflect interest on lease liability,
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments,

*Extension and early termination options*

In determining the lease liability, the Group considers the extension and termination options, The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. The Group do not have significant lease contracts with extension and termination options that are not included in the lease liability since they are not reasonably certain.

The Group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. As result of the evaluations performed in the current period, there is no lease obligation or right of use assets arising from the inclusion of extension and early termination options in the lease period.

*Variable lease payments*

Group’s lease contracts also include variable lease payments which are not in the scope of TFRS 16. Variable lease payments are recognised in profit or loss in the related period.

The duration of the contracts constituting the Group's lease obligations varies between 2 and 10 years.

***The Group - as lessor***

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

**Segment reporting**

The Group monitors its main activities under a single operation segment, ensuring integrity for mother-baby needs. The Group makes its strategic decisions under a single roof and does not allocate any special resources. The decisions regarding the Group's activities are regularly reviewed by the competent authority. The authorized authority to take decisions regarding the activities of the Group is the Board of Directors.

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**NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**

**2.3 Significant accounting assumptions and estimates**

*Useful lives of tangible and intangible assets*

The determination of useful economic lives, primarily related to leasehold improvements, involves significant estimates made by the Group management.

*Liabilities arising from lease transactions*

The Company measured its liabilities under TFRS 16 at amortized cost using the alternative borrowing interest rate. The Company has determined the alternative borrowing interest rate by evaluating similar borrowing interest rates from the banks it works with. The weighted average of the alternative TL borrowing rates used by the Company as of December 31, 2024 is 64,08% (December 31, 2023: 43,20%).

**NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL**

**Batı ege acquisition**

The Company acquired Batiege Kozmetik İthalat İhracat Ltd. Şti. ("Batiege"), a retail company operating under the brand "Hello Baby," in 2015. On June 30, 2015, all assets and liabilities of Batiege were officially included in the Company, and the merger process was completed. Following the merger, the legal entity of Batiege ceased to exist.

Identifiable assets and liabilities are recognized at the following TRY values at the acquisition date:

|   |              |
|---|--------------|
| Fair value of payment for share acquisition | 232,881,408  |
| Less: Total identifiable net assets         | (48,585,980) |

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**Goodwill** **184,295,428**

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**Goodwill impairment test**

The Company has accounted for goodwill arising from the acquisition of Batı Ege in its financial statements. It has been evaluated whether the relevant goodwill is impaired or not. The sensitivity of the +0,5/-0,5% change in the weighted cost of capital used in the impairment test studies was tested. No significant sensitivity was found as a result of this test. Impairment test was performed over the next 5-year projection based on the business plans of acquired brands with Batı Ege, 45% was used as the pre-tax discount rate.

It has been determined that the aforementioned assets are recoverable and no impairment has occurred.

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**NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL (Continued)**

**Tuna Çocuk acquisition**

The Group signed a share transfer agreement with the shareholders of Tuna Çocuk on 17 December 2021 to acquire Tuna Çocuk. Based on the Board of Directors' decision dated January 19, 2022, the company purchased the 70% of Tuna Çocuk's shares for a cash payment of 13,000,000 TRY and a contingent liability of 8,800,000 TRY which the management evaluated the probability of realization based on the best estimation. Tuna Çocuk is a production company operating as a manufacturer of products in the category of baby vehicles and equipment, and it is aimed at increasing the sales volume of the group in the specified categories after the purchase. Deferred payments related to the acquisition of Tuna Çocuk are the amortized costs of future payments to the seller as of the date of statement of financial position. In the 3-year period following the purchase date, a contingent payment obligation of TRY 32,000,000 in total, based on the financial performance of Tuna Çocuk determined over EBITDA, has been mutually contracted. Since 36 months have passed since the date of purchase and the necessary performance criteria have not been met, the contingent payment, which was accounted for under long-term liabilities in previous years, has been removed from the financial statements as of December 31, 2024.

The acquired identifiable assets and liabilities are recorded at the following TRY values at the acquisition date:

|   |                   |
|---|-------------------|
| Fair value of payment for share acquisition   | 13,000,000        |
| Discounted contingent consideration (Note 14) | 6,111,111         |
| Non-controlling interests                     | 3,569,610         |
| Less: Total identifiable net assets           | (11,372,644)      |
| Inflation Adjustment                          | 28,466,433        |
| <b>Goodwill</b>                               | <b>39,774,510</b> |

**Fair value impact of valuation data**

The table below shows the detail and sensitivity effect of significant unobserved data used in the valuation of deferred payments related to the acquisition carried at fair value in the Level 3 hierarchy.

**Goodwill impairment test**

The Company has accounted for goodwill arising from the acquisition of Tuna Çocuk in its financial statements. The sensitivity of the +0,5/-0,5% change in the weighted cost of capital used in the impairment test studies was tested. No significant sensitivity was found as a result of this test. Impairment test was performed on the next 5-year projection based on Tuna Çocuk's business plan, 45% was used as the pre-tax discount rate.

It has been determined that the aforementioned assets are recoverable and no impairment has occurred.

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| Cash                                   | 6,286,321               | 15,340,340              |
| Banks                                  |                         |                         |
| - Demand deposits                      | 45,817,382              | 191,142,708             |
| Credit card receivables (*)            | 1,220,995,267           | 1,044,002,638           |
| <b>Total cash and cash equivalents</b> | <b>1,273,098,970</b>    | <b>1,250,485,686</b>    |

(\*) Includes credit card receivables resulting from retail sales transactions with a collection period of less than three month,

As of 31 December 2024, there is no blockage on bank accounts (31 December 2023: None), As of 31 December 2024, there are no time deposits. (31 December 2023: None)

The credit risks of the banks where the Group has deposits are evaluated by taking into account independent data and no significant credit risk is expected. The fair values of cash and cash equivalents approximate their carrying values.

**NOTE 5 - TRADE RECEIVABLES AND PAYABLES**

| <b>a) Trade receivables</b>                      | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| <b>Short-term trade receivables</b>              |                         |                         |
| Trade receivables                                | 65,356,156              | 51,398,428              |
| Note receivables (*)                             | 7,781,973               | 12,084,999              |
| Less : Provisions for doubtful trade receivables | -                       | (1,161,852)             |
| <b>Total trade receivables</b>                   | <b>73,138,129</b>       | <b>62,321,575</b>       |

(\*) Consists of short-term customer checks of Tuna Çocuk, a fully consolidated subsidiary of the Company, The Group has no overdue trade receivables as of 31 December 2024 (31 December 2023: None),

| <b>b) Trade payables</b>                    | <b>31 December 2024</b> | <b>31 December 2023</b> |
|---|-------------------------|-------------------------|
| <b>Short-term trade payables:</b>           |                         |                         |
| Trade payables to third parties             | 4,587,471,453           | 3,592,843,117           |
| Trade payables to related parties (Note 27) | 26,981,859              | 30,906,762              |
| Less: Unearned credit finance expense (*)   | (261,497,038)           | (198,443,587)           |
| <b>Total trade payables</b>                 | <b>4,352,956,274</b>    | <b>3,425,306,292</b>    |

Trade payables consist of payables to different suppliers due to the purchase of trade goods and services, Average due dates of short-term trade payables is 118 days (31 December 2023 – 101 days).

(\*) Unearned finance expense is calculated for the forward purchases related with trade payables of the Group. The rate used in this method and determined on the basis of compound interest is called the “effective interest rate”; the aforementioned rate was used as 60% for 31 December 2024 and 62% for 31 December 2023.

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NOTE 6 - PREPAID EXPENSES

|  | 31 December 2024   | 31 December 2023   |
|--|--------------------|--------------------|
| <b>Short-term prepaid expenses:</b>      |                    |                    |
| Advances given inventories               | 398,096,113        | 533,716,977        |
| Job advances                             | 14,182,694         | 10,959,106         |
| Prepaid insurance expenses               | 2,725,228          | 2,870,490          |
| Other                                    | 32,374,141         | 26,325,846         |
| <b>Total short-term prepaid expenses</b> | <b>447,378,176</b> | <b>573,872,419</b> |

|   | 31 December 2024  | 31 December 2023  |
|---|-------------------|-------------------|
| <b>Long-term prepaid expenses:</b>                        |                   |                   |
| Advances given for purchase property, plant and equipment | 42,256,635        | 16,699,134        |
| <b>Total long-term prepaid expenses</b>                   | <b>42,256,635</b> | <b>16,699,134</b> |

NOTE 7 - OTHER CURRENT ASSETS

|                                   | 31 December 2024   | 31 December 2023   |
|-----------------------------------|--------------------|--------------------|
| Deferred VAT                      | 255,931,606        | 382,312,524        |
| Other                             | 4,244,299          | 2,551,174          |
| <b>Total other current assets</b> | <b>260,175,905</b> | <b>384,863,698</b> |

NOTE 8 - OTHER RECEIVABLES

|   | 31 December 2024 | 31 December 2023 |
|---|------------------|------------------|
| <b>Short-term other receivables:</b>      |                  |                  |
| Investment support receivables            | -                | 2,797,497        |
| Other                                     | 2,651,934        | 1,689,997        |
| <b>Total short-term other receivables</b> | <b>2,651,934</b> | <b>4,487,494</b> |

|  | 31 December 2024  | 31 December 2023 |
|--|-------------------|------------------|
| <b>Long-term other receivables:</b>      |                   |                  |
| Deposits and guarantees given (*)        | 37,905,009        | 1,197,307        |
| <b>Total long-term other receivables</b> | <b>37,905,009</b> | <b>1,197,307</b> |

(\*) As of December 31, 2024, an amount of 37,576,025 TL consists of rental deposits given for stores opened and to be opened in the United Kingdom.

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**NOTE 9 - DEFERRED INCOME**

|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| <b>Short-term deferred income:</b>       |                         |                         |
| Gift cards(*)                            | 37,428,388              | 27,882,116              |
| Advances taken                           | 4,002,606               | 16,850,286              |
| Deferred investment support income (**)  | 1,617,000               | 2,334,605               |
| <b>Total short-term deferred income</b>  | <b>43,047,994</b>       | <b>47,067,007</b>       |
|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
| <b>Long-term deferred income:</b>        |                         |                         |
| Deferred investment support income (**)  | 3,152,251               | 6,168,310               |
| <b>Total long-term deferred revenues</b> | <b>3,152,251</b>        | <b>6,168,310</b>        |

(\*) The unused portion of the checks which are purchased by customers, obtained due to shopping returns or deserved during campaigns; is accounted in the "Gift cards" account.

(\*\*) Investment supports are received from property owners of new stores rented in some shopping centers. These investment supports, which are paid in advance or provided to the Group through a lease-free period for a certain period, are recorded as deferred income and are recognized as income on a pro-rata basis for the minimum period that the Group undertakes to remain as a tenant in this property.

**NOTE 10 - INVENTORIES**

|                                  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|----------------------------------|-------------------------|-------------------------|
| Trade goods                      | 4,093,803,474           | 3,828,180,669           |
| Raw materials and supplies       | 24,250,291              | 28,993,809              |
| Work in progress                 | 22,950,396              | 13,572,205              |
| Finished goods                   | 141,085,884             | 35,520,811              |
| Other inventories                | 54,969,115              | 44,684,345              |
| Less: Provisions for inventories | (8,352,343)             | (7,998,171)             |
| <b>Total inventories</b>         | <b>4,328,706,817</b>    | <b>3,942,953,668</b>    |

As of 31 December 2024, there is no pledge/mortgage on inventories (31 December 2023: None).

Provisions for inventories were accounted for in the cost of sales account.

|                            | <b>2024</b>      | <b>2023</b>       |
|----------------------------|------------------|-------------------|
| <b>1 January</b>           | <b>7,998,171</b> | <b>19,545,850</b> |
| Reversal of provision      | (7,998,171)      | (19,545,850)      |
| Provisions for inventories | 8,352,343        | 7,998,171         |
| <b>31 December</b>         | <b>8,352,343</b> | <b>7,998,171</b>  |

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**NOTE 11 - PROPERTY, PLANT AND EQUIPMENT**

|                                 | 1 January<br>2024      | Additions            | Transfers     | Disposals           | 31 December<br>2024    |
|---------------------------------|------------------------|----------------------|---------------|---------------------|------------------------|
| <b>Cost</b>                     |                        |                      |               |                     |                        |
| Lands                           | -                      | 88,229,068           | --            | --                  | 88,229,068             |
| Machinery and equipment         | 149,936,822            | 13,752,102           | 671,034       | --                  | 164,359,958            |
| Furniture and fixtures          | 1,252,465,818          | 159,941,038          | 70,389,802    | (13,178,013)        | 1,469,618,645          |
| Vehicles                        | 21,281,133             | 5,985,509            | --            | --                  | 27,266,642             |
| Leasehold improvements          | 1,360,369,433          | 177,180,809          | 116,572,178   | (12,572,831)        | 1,641,549,589          |
| Construction in progress        | 33,507,274             | 268,483,121          | (187,633,014) | --                  | 114,357,381            |
|                                 | <b>2,817,560,480</b>   | <b>713,571,647</b>   | <b>--</b>     | <b>(25,750,844)</b> | <b>3,505,381,283</b>   |
| <b>Accumulated depreciation</b> |                        |                      |               |                     |                        |
| Machinery and equipment         | (33,490,012)           | (8,281,312)          | --            | --                  | (41,771,324)           |
| Furniture and fixtures          | (710,448,597)          | (160,930,128)        | --            | 11,926,909          | (859,451,816)          |
| Vehicles                        | (4,467,104)            | (3,454,859)          | --            | --                  | (7,921,963)            |
| Leasehold improvements          | (766,108,271)          | (143,197,517)        | --            | 10,077,914          | (899,227,874)          |
|                                 | <b>(1,514,513,984)</b> | <b>(315,863,816)</b> | <b>--</b>     | <b>22,004,823</b>   | <b>(1,808,372,977)</b> |
| <b>Net book value</b>           | <b>1,303,046,496</b>   |                      |               |                     | <b>1,697,008,306</b>   |
|                                 | 1 January<br>2023      | Additions            | Transfers     | Disposals           | 31 December<br>2023    |
| <b>Cost</b>                     |                        |                      |               |                     |                        |
| Buldings                        | 13,657,098             | --                   | --            | (13,657,098)        | --                     |
| Machinery and equipment         | 146,585,727            | 9,642,406            | 1,128,652     | (7,419,963)         | 149,936,822            |
| Furniture and fixtures          | 1,003,892,755          | 220,555,300          | 40,845,398    | (12,827,635)        | 1,252,465,818          |
| Vehicles                        | 28,857,853             | 8,637,308            | --            | (16,214,028)        | 21,281,133             |
| Leasehold improvements          | 1,067,505,739          | 190,132,650          | 113,488,249   | (10,757,205)        | 1,360,369,433          |
| Construction in progress        | 20,893,274             | 168,076,299          | (155,462,299) | --                  | 33,507,274             |
|                                 | <b>2,281,392,446</b>   | <b>597,043,963</b>   | <b>--</b>     | <b>(60,875,929)</b> | <b>2,817,560,480</b>   |
| <b>Accumulated depreciation</b> |                        |                      |               |                     |                        |
| Buldings                        | (3,543,539)            | (251,291)            | --            | 3,794,830           | --                     |
| Machinery and equipment         | (25,573,693)           | (10,113,947)         | --            | 2,197,628           | (33,490,012)           |
| Furniture and fixtures          | (578,303,681)          | (141,191,173)        | --            | 9,046,257           | (710,448,597)          |
| Vehicles                        | (2,413,127)            | (5,366,810)          | --            | 3,312,833           | (4,467,104)            |
| Leasehold improvements          | (626,866,558)          | (149,998,918)        | --            | 10,757,205          | (766,108,271)          |
|                                 | <b>(1,236,700,598)</b> | <b>(306,922,139)</b> | <b>--</b>     | <b>29,108,753</b>   | <b>(1,514,513,984)</b> |
| <b>Net book value</b>           | <b>1,044,691,848</b>   |                      |               |                     | <b>1,303,046,496</b>   |

As of 31 December 2024, there are no guarantees, pledges and mortgages on property, plant and equipment (31 December 2023: None).

The distribution of depreciation expenses is given in Note 21.

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**NOTE 12 - INTANGIBLE ASSETS**

|                                       | <b>1 January<br/>2024</b> | <b>Additions</b>    | <b>Transfers</b> | <b>Disposals</b>   | <b>31 December<br/>2024</b> |
|---------------------------------------|---------------------------|---------------------|------------------|--------------------|-----------------------------|
| <b>Cost</b>                           |                           |                     |                  |                    |                             |
| Rights                                | 4,269,800                 | -                   | 53,304,089       | (4,272)            | 57,569,617                  |
| Research and Development expenses(**) | 32,671,783                | 77,942,626          | (53,304,089)     | -                  | 57,310,320                  |
| Other intangible assets (*)           | 321,444,052               | 147,843,271         | -                | (3,669,797)        | 465,617,526                 |
|                                       | <b>358,385,635</b>        | <b>225,785,897</b>  | <b>-</b>         | <b>(3,674,069)</b> | <b>580,497,463</b>          |
| <b>Accumulated depreciation</b>       |                           |                     |                  |                    |                             |
| Rights                                | (1,867,056)               | (310,068)           | -                | 4,272              | (2,172,852)                 |
| Research and Development expenses     | -                         | -                   | -                | -                  | -                           |
| Other intangible assets               | (234,812,010)             | (62,303,790)        | -                | 130,554            | (296,985,246)               |
|                                       | <b>(236,679,066)</b>      | <b>(62,613,858)</b> | <b>-</b>         | <b>134,826</b>     | <b>(299,158,098)</b>        |
| <b>Net book value</b>                 | <b>121,706,569</b>        |                     |                  |                    | <b>281,339,365</b>          |
|                                       | <b>1 January<br/>2023</b> | <b>Additions</b>    | <b>Transfers</b> | <b>Disposals</b>   | <b>31 December<br/>2023</b> |
| <b>Cost</b>                           |                           |                     |                  |                    |                             |
| Rights                                | 4,270,245                 | -                   | -                | (445)              | 4,269,800                   |
| Research and Development expenses(**) | -                         | 32,671,783          | -                | -                  | 32,671,783                  |
| Other intangible assets (*)           | 240,830,527               | 80,749,681          | -                | (136,156)          | 321,444,052                 |
|                                       | <b>245,100,772</b>        | <b>113,421,464</b>  | <b>-</b>         | <b>(136,601)</b>   | <b>358,385,635</b>          |
| <b>Accumulated depreciation</b>       |                           |                     |                  |                    |                             |
| Rights                                | (1,558,508)               | (308,753)           | -                | 205                | (1,867,056)                 |
| Research and Development expenses     | -                         | -                   | -                | -                  | -                           |
| Other intangible assets               | (195,172,424)             | (39,775,742)        | -                | 136,156            | (234,812,010)               |
|                                       | <b>(196,730,932)</b>      | <b>(40,084,495)</b> | <b>-</b>         | <b>136,361</b>     | <b>(236,679,066)</b>        |
| <b>Net book value</b>                 | <b>48,369,840</b>         |                     |                  |                    | <b>121,706,569</b>          |

(\*) Other intangible assets mainly consist of software licenses.

(\*\*) The Group carries out software development activities in order to meet the internal requirements within the scope of the Technology Zones Development Law No. 4691. After the projects are completed, they are transferred to rights and depreciation is calculated over the total value.

As of 31 December 2024, there is no guarantee, pledge or mortgage on intangible assets (31 December 2023: None),

The distribution of amortization expenses is given in Note 21.

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**NOTE 13 - RIGHT OF USE ASSETS**

|                                 | <b>Vehicles</b>   | <b>Buildings</b>     | <b>Total</b>         |
|---------------------------------|-------------------|----------------------|----------------------|
| <b>Cost</b>                     |                   |                      |                      |
| <b>1 January 2024</b>           | <b>82,531,786</b> | <b>1,807,728,278</b> | <b>1,890,260,064</b> |
| Additions                       | 76,043,513        | 420,779,081          | 496,822,594          |
| Disposals                       | (74,922,576)      | (515,664,865)        | (590,587,441)        |
| <b>31 December 2024</b>         | <b>83,652,723</b> | <b>1,712,842,494</b> | <b>1,796,495,217</b> |
| <b>Accumulated depreciation</b> |                   |                      |                      |
| <b>1 January 2024</b>           | <b>59,128,372</b> | <b>852,725,155</b>   | <b>911,853,527</b>   |
| Additions                       | 17,441,630        | 169,838,672          | 187,280,302          |
| Disposals                       | (55,551,902)      | (515,664,866)        | (571,216,768)        |
| <b>31 December 2024</b>         | <b>21,018,100</b> | <b>506,898,961</b>   | <b>527,917,061</b>   |
| <b>Total</b>                    | <b>62,634,623</b> | <b>1,205,943,533</b> | <b>1,268,578,156</b> |
|                                 | <b>Vehicles</b>   | <b>Buildings</b>     | <b>Total</b>         |
| <b>Cost</b>                     |                   |                      |                      |
| <b>1 January 2023</b>           | <b>39,413,191</b> | <b>1,380,443,535</b> | <b>1,419,856,726</b> |
| Additions                       | 43,976,567        | 434,291,401          | 478,267,968          |
| Disposals                       | (857,972)         | (7,006,658)          | (7,864,630)          |
| <b>31 December 2023</b>         | <b>82,531,786</b> | <b>1,807,728,278</b> | <b>1,890,260,064</b> |
| <b>Accumulated depreciation</b> |                   |                      |                      |
| <b>1 January 2022</b>           | <b>33,381,017</b> | <b>632,589,120</b>   | <b>665,970,137</b>   |
| Additions                       | 26,294,828        | 225,422,065          | 251,716,893          |
| Disposals                       | (547,473)         | (5,286,030)          | (5,833,503)          |
| <b>31 December 2023</b>         | <b>59,128,372</b> | <b>852,725,155</b>   | <b>911,853,527</b>   |
| <b>Total</b>                    | <b>23,403,414</b> | <b>955,003,123</b>   | <b>978,406,537</b>   |

The distribution of depreciation expenses is given in Note 21.

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**NOTE 14 - SHORT AND LONG TERM BORROWINGS**

| <b>31 December 2024</b>      | <b>Maturity range</b>   | <b>Effective rate (%)</b> | <b>TRY</b>         |
|------------------------------|-------------------------|---------------------------|--------------------|
| <b>Short-term borrowings</b> |                         |                           |                    |
| Short-term unsecured loans   | 10.01.2025 - 10.12.2025 | 60.34                     | 587,101,046        |
| Credit card                  |                         |                           | 24,684,260         |
| <b>Total</b>                 |                         |                           | <b>611,785,306</b> |

| <b>31 December 2024</b>                            |                         |               | <b>TRY</b>         |
|--|-------------------------|---------------|--------------------|
| <b>Short-term portions of long-term borrowings</b> |                         |               |                    |
| Lease liabilities                                  | 01.01.2025 - 31.12.2025 | 20.00 – 66.40 | 160,407,537        |
| <b>Total</b>                                       |                         |               | <b>160,407,537</b> |

| <b>31 December 2024</b>     | <b>Maturity range</b>   | <b>Effective rate (%)</b> | <b>TRY</b>         |
|-----------------------------|-------------------------|---------------------------|--------------------|
| <b>Long-term borrowings</b> |                         |                           |                    |
| Lease liabilities           | 01.01.2025 – 31.12.2034 | 20.00 – 66.40             | 579,081,281        |
| <b>Total</b>                |                         |                           | <b>579,081,281</b> |

| <b>31 December 2023</b>      | <b>Maturity</b>         | <b>Effective rate (%)</b> | <b>TRY</b>         |
|------------------------------|-------------------------|---------------------------|--------------------|
| <b>Short-term borrowings</b> |                         |                           |                    |
| Short-term unsecured loans   | 10.01.2024 - 23.12.2024 | 61.91                     | 617,924,464        |
| Credit card                  |                         | -                         | 44,678,795         |
| <b>Total</b>                 |                         |                           | <b>662,603,259</b> |

| <b>31 December 2023</b>                            |                         |               | <b>TRY</b>         |
|--|-------------------------|---------------|--------------------|
| <b>Short-term portions of long-term borrowings</b> |                         |               |                    |
| Lease liabilities                                  | 01.01.2024 - 31.12.2024 | 20.00 - 61.91 | 160,414,299        |
| <b>Total</b>                                       |                         |               | <b>160,414,299</b> |

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**NOTE 14 - SHORT AND LONG TERM BORROWINGS (Continued)**

| <b>31 December 2023</b>     | <b>Maturity range</b>   | <b>Effective rate (%)</b> | <b>TRY</b>         |
|-----------------------------|-------------------------|---------------------------|--------------------|
| <b>Long-term borrowings</b> |                         |                           |                    |
| Lease liabilities           | 01.01.2024 - 30.11.2033 | 20.00 - 61.91             | 607,515,628        |
| <b>Total</b>                |                         |                           | <b>607,515,628</b> |

As of 31 December 2024 and 31 December 2023, the Group's loan contracts do not include any covenants.

Commission payments made to banks for the relevant loan agreements are also included in the calculation of the effective rates of short-term loans.

It is assumed that the carrying values of borrowings approximate to their fair values.

**NOTE 15 - OTHER SHORT-TERM AND LONG-TERM LIABILITIES**

|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| Taxes and funds payable                | 21,123,134              | 30,295,177              |
| Other                                  | 43,117                  | 35,975                  |
| <b>Total other current liabilities</b> | <b>21,166,251</b>       | <b>30,331,152</b>       |

**NOTE 16 - COMMITMENTS**

The Group's collateral/pledge/mortgage ("CPM") position as of 31 December 2024 and 31 December 2023 is as follows:

|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| A, Total amount of CPM given in the name of its own legal entity   | 237,339,113             | 229,128,984             |
| B, Total amount of CPM's given in favor of partnerships included in full consolidation                             | -                       | -                       |
| C, Total amount of CPM's given to other 3rd parties for the purpose of carrying out ordinary commercial activities | -                       | -                       |
| D, Total amount of other CPMs given  | -                       | -                       |
|  | <b>237,339,113</b>      | <b>229,128,984</b>      |

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**NOTE 16 – COMMITMENTS (Continued)**

| <b>31 December 2024</b>      |                    | <b>31 December 2023</b>      |                    |
|------------------------------|--------------------|------------------------------|--------------------|
| <b>Original<br/>currency</b> | <b>TRY</b>         | <b>Original<br/>currency</b> | <b>TRY</b>         |
| TRY                          | 218,589,921        | TRY                          | 198,124,363        |
| USD                          | 5,949,722          | USD                          | 13,860,968         |
| EUR                          | 12,799,470         | EUR                          | 17,143,653         |
|                              | <b>237,339,113</b> |                              | <b>229,128,984</b> |

**Guarantee letters**

a) Collaterals given as of 31 December 2024 and 31 December 2023 are as follows:

|                   | <b>31 December 2024</b> | <b>31 December 2023</b> |
|-------------------|-------------------------|-------------------------|
| Guarantee letters | 237,339,113             | 229,128,984             |
|                   | <b>237,339,113</b>      | <b>229,128,984</b>      |

b) Collateral received as of 31 December 2024 and 31 December 2023 are as follows:

|                   | <b>31 December 2024</b> | <b>31 December 2023</b> |
|-------------------|-------------------------|-------------------------|
| Guarantee letters | 22,000,000              | 1,624,261               |
|                   | <b>22,000,000</b>       | <b>1,614,261</b>        |

**NOTE 17 - FINANCIAL INVESTMENTS**

As of December 31, 2024, it consists of short-term financial investments in Albaraka Portfolio Short-Term Participation Hedge Fund (PVK) and Neo Portfolio Money Market Participation Hedge Fund (NSA).

**NOTE 18 - EMPLOYEE BENEFITS**

**Employee benefit obligations**

|                              | <b>31 December 2024</b> | <b>31 December 2023</b> |
|------------------------------|-------------------------|-------------------------|
| Salaries and bonuses payable | 79,224,519              | 43,523,650              |
| Social security payables     | 48,601,239              | 35,901,208              |
|                              | <b>127,825,758</b>      | <b>79,424,858</b>       |

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**NOTE 18 - EMPLOYEE BENEFITS (Continued)**

**Long-term provisions for employee benefits**

|                                | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--------------------------------|-------------------------|-------------------------|
| Provision for unused vacations | 41,241,040              | 33,181,977              |
|                                | <b>41,241,040</b>       | <b>33,181,977</b>       |

Movements in the provision for unused vacation during the period are as follows:

|                     | <b>2024</b>       | <b>2023</b>       |
|---------------------|-------------------|-------------------|
| <b>1 January</b>    | <b>33,181,977</b> | <b>23,171,290</b> |
| Addition for period | 8,059,063         | 10,010,687        |
| <b>31 December</b>  | <b>41,241,040</b> | <b>33,181,977</b> |

  

|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| Provisions for employee termination benefits | 12,688,979              | 19,228,392              |
|  | <b>12,688,979</b>       | <b>19,228,392</b>       |

The Group is required to pay a certain amount of severance pay to employees who leave their jobs due to retirement or termination for reasons other than resignation or misconduct, in accordance with the existing labor law in Turkey. These severance payments are based on the salary at the date of termination or dismissal, calculated at 30 days' salary for each year of service. The severance pay ceiling is revised every six months, and for the calculation of the Group's severance pay provision, the ceiling amount of 46,655.43 TRY effective from 1 January 2025, has been considered (31 December 2024: 41,828.42 TRY ; 1 January 2024: 35,058,58 TRY). The cost of providing these benefits is accrued over the employees' service periods. The Group has calculated and reflected in the consolidated financial statements as of 31 December 2024, and 31 December 2023, the provision for severance pay using the Projection Method, which anticipates inflation rates, factors derived from the Group's own experiences regarding employee turnover, or termination according to TAS 19, and discounted at the prevailing government bond rates applicable to earned benefits at the balance sheet date.

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, the provisions in the accompanying consolidated financial statements as of 31 December 2024 are calculated by estimating the present value of the probable future obligation arising from the retirement of the employees. Calculated using the real inflation rate obtained as % 25 and interest rate obtained as %29 (31 December 2023: 25 % and %27). The interest cost arising from the fact that the discounted severance pay provision is one year closer to the payment date at the beginning of the period is calculated using the real discount rate. The current service cost is calculated by dividing the employee's reduced severance pay for each employee by the total working time, multiplying by the working time in the current year, and applying the severance pay to the amount found.

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**NOTE 18 - EMPLOYEE BENEFITS (Continued)**

|   | 31 December 2024 | 31 December 2023 |
|---|------------------|------------------|
| Net discount rate (%)                                   | 3.50 %           | 1.92 %           |
| Turnover rate related the probability of retirement (%) | 45.39 %          | 64.77 %          |

Movements in the provisions for employment termination benefits during the period are as follows:

|                            | 2024              | 2023               |
|----------------------------|-------------------|--------------------|
| <b>1 January</b>           | <b>19,228,392</b> | <b>115,208,910</b> |
| Interest expense           | 3,256,793         | 2,370,032          |
| Service cost               | 3,595,865         | 1,517,460          |
| Payments during the period | (32,390,421)      | (22,269,058)       |
| Actuarial losses/ (gain)   | 19,174,517        | (81,498,754)       |
| Monetary gain/ (losses)    | (176,167)         | 3,899,802          |
| <b>31 December</b>         | <b>12,688,979</b> | <b>19,228,392</b>  |

**NOTE 19 - EQUITY**

**Paid-in capital**

The company's capital consists of 160,000,000 shares with a par value of 1 TRY each (as of December 31, 2023: 160,000,000), with a nominal value of 160,000,000 TRY (as of 31 December 2023: 160,000,000).

As of 31 December 2024 and 31 December 2023, the Company's shareholders and their shares in the capital are as follows:

|                             | 31 December 2024  |                       | 31 December 2023  |                       |
|-----------------------------|-------------------|-----------------------|-------------------|-----------------------|
|                             | Share rate<br>(%) | Share amount<br>(TRY) | Share rate<br>(%) | Share amount<br>(TRY) |
| Ahmet Afif Topbaş           | 16.51%            | 26,409,567            | 16.51%            | 26,409,567            |
| Mahmud Muhammed Topbaş      | 15.60%            | 24,960,000            | 15.60%            | 24,960,000            |
| Musa Topbaş                 | 15.60%            | 24,960,000            | 15.60%            | 24,960,000            |
| Halil Erdoğan               | 10.74%            | 17,181,730            | 10.74%            | 17,181,730            |
| Fatma Hande Topbaş          | 5.85%             | 9,352,856             | 5.85%             | 9,352,856             |
| Fatma Zehra Ülker           | 5.85%             | 9,352,856             | 5.85%             | 9,352,856             |
| Kemal Anthony Hatoum        | 3.13%             | 5,012,845             | 3.13%             | 5,012,845             |
| Mustafa Latif Topbaş        | 0.46%             | 738,284               | 0.46%             | 738,284               |
| Other                       | 1.27%             | 2,031,862             | 1.27%             | 2,031,862             |
| Publicly traded             | 25.00%            | 40,000,000            | 25.00%            | 40,000,000            |
| <b>Paid-in capital</b>      | <b>100.00%</b>    | <b>160,000,000</b>    | <b>100.00%</b>    | <b>160,000,000</b>    |
| Adjustment to share capital |                   | 303,544,933           |                   | 303,544,933           |
| <b>Total</b>                |                   | <b>463,544,933</b>    |                   | <b>463,544,933</b>    |

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**NOTE 19 - EQUITY (Continued)**

Capital adjustment variances represent the difference between the total amounts of cash and cash equivalent additions to equity adjusted for inflation accounting and the amounts before adjustment. There is no use for capital adjustment variances other than being added to equity.

Appropriated restricted reserves consist of legal reserves. According to the Turkish Commercial Code, legal reserves are divided into two types: first and second tier legal reserves. According to the Turkish Commercial Code, the first tier legal reserves are allocated as 5% of the statutory net profit until reaching 20% of the paid-in capital. Second tier legal reserves, on the other hand, are 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, legal reserves can only be used to offset losses as long as they do not exceed 50% of the paid-in capital; otherwise, they cannot be used in any way.

Through a public offering, the company increased its paid-in capital to 160,000,000 TRY and accounted for the premiums related to shares in the share premium account after deducting public offering expenses, which exceeded the nominal capital increase amount.

The comparison of the inflation adjusted equity items presented in the consolidated financial statements of the Group as of 31 December 2024 with the inflation adjusted amounts in the financial statements prepared in accordance with the tax legislation is as follows :

| <b>31 December 2024 (TFRS)</b> | <b>Nominal value</b> | <b>Effect of inflation adjustment</b> | <b>Indexed value</b> |
|--------------------------------|----------------------|---------------------------------------|----------------------|
| Paid-in capital                | 160,000,000          | 303,544,933                           | 463,544,933          |
| Restricted reserves            | 29,393,922           | 12,440,287                            | 41,834,209           |

  

| <b>31 December 2024 (In accordance with the Tax Procedure Law)</b> | <b>Nominal değer</b> | <b>Effect of inflation adjustment</b> | <b>Indexed value</b> |
|--|----------------------|---------------------------------------|----------------------|
| Paid-in capital  | 160,000,000          | 324,175,031                           | 484,175,031          |
| Restricted reserves  | 29,393,922           | 13,849,586                            | 43,243,508           |

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**NOTE 20 - NET SALES AND COST OF SALES**

|  | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|--|---|---|
| Goods and Services Sales               |   |   |
| - Store sales                          | 15,260,719,403                          | 13,518,365,355                          |
| - E-commerce sales                     | 3,083,328,953                           | 3,101,410,950                           |
| - Other sales                          | 737,581,791                             | 527,565,527                             |
| <b>Gross sales</b>                     | <b>19,081,630,147</b>                   | <b>17,147,341,832</b>                   |
| <b>Sales returns and discounts (-)</b> | <b>(759,235,583)</b>                    | <b>(747,275,431)</b>                    |
| <b>Net sales</b>                       | <b>18,322,394,564</b>                   | <b>16,400,066,401</b>                   |
| Domestic sales                         | 18,231,474,185                          | 16,346,485,480                          |
| Sales abroad (*)                       | 90,920,379                              | 53,580,921                              |
| <b>Cost of sales</b>                   | <b>(11,809,750,739)</b>                 | <b>(11,780,246,930)</b>                 |
| <b>Gross profit</b>                    | <b>6,512,643,825</b>                    | <b>4,619,819,471</b>                    |

All of the Group product sales revenues consist of at a point in time revenues.

(\*) It consist of Group’s exports and also the Group’s sales via its subsidiaries abroad.

**NOTE 21 - EXPENSES BY NATURE**

|  | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|--|---|---|
| Cost of trade goods sold               | 11,629,352,356                          | 11,594,489,650                          |
| Personnel expenses                     | 2,525,906,275                           | 1,963,753,263                           |
| Depreciation and amortization expenses | 565,757,976                             | 598,723,527                             |
| Advertising and promotion expenses     | 368,258,519                             | 287,887,673                             |
| Cargo expenses                         | 303,769,517                             | 214,515,306                             |
| Energy expenses                        | 153,255,106                             | 186,612,802                             |
| Transportation expenses                | 151,889,659                             | 127,280,323                             |
| Storage expenses                       | 91,427,142                              | 85,155,529                              |
| Other                                  | 944,039,336                             | 899,970,760                             |
| <b>Total expenses by nature</b>        | <b>16,733,655,886</b>                   | <b>15,958,388,833</b>                   |

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**NOTE 21 - EXPENSES BY NATURE (Continued)**

|                                 | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|---------------------------------|---|---|
| <b>Personnel expenses</b>       |   |   |
| Marketing expenses              | 2,002,562,479                           | 1,568,745,704                           |
| General administrative expenses | 395,465,399                             | 341,356,104                             |
| Cost of sales                   | 127,878,397                             | 53,651,455                              |
| <b>Total</b>                    | <b>2,525,906,275</b>                    | <b>1,963,753,263</b>                    |

|                                 | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|---------------------------------|---|---|
| <b>Depreciation expenses</b>    |   |   |
| Marketing expenses              | 496,963,406                             | 530,614,947                             |
| General administrative expenses | 63,501,454                              | 60,861,925                              |
| Cost of sales                   | 5,293,116                               | 7,246,655                               |
| <b>Total</b>                    | <b>565,757,976</b>                      | <b>598,723,527</b>                      |

**NOTE 22 - OTHER OPERATING INCOME AND EXPENSES**

|                               | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|-------------------------------|---|---|
| Investment support income     | 8,497,416                               | 13,599,033                              |
| Other                         | 25,799,867                              | 27,988,480                              |
| <b>Other operating income</b> | <b>34,297,283</b>                       | <b>41,587,513</b>                       |

|   | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|---|---|---|
| Credit finance charges arising from purchases | (1,587,115,645)                         | (1,005,574,848)                         |
| Foreign exchange losses                       | (4,514,110)                             | (27,715,264)                            |
| Other   | (53,377,798)                            | (50,836,193)                            |
| <b>Other operating expenses</b>               | <b>(1,645,007,553)</b>                  | <b>(1,084,126,305)</b>                  |

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NOTE 23 - INCOME FROM INVESTMENT ACTIVITIES

|  | 1 January -<br>31 December 2024 | 1 January -<br>31 December 2023 |
|--|---------------------------------|---------------------------------|
| Gain on revaluation of financial investments | 55,768,289                      | 51,349,192                      |
| Income from sales of fixed assets            | 7,768,744                       | 50,828,161                      |
| <b>Income from investment activities</b>     | <b>63,537,033</b>               | <b>102,177,353</b>              |

NOTE 24 - FINANCIAL EXPENSES

|                                      | 1 January -<br>31 December 2024 | 1 January -<br>31 December 2023 |
|--------------------------------------|---------------------------------|---------------------------------|
| Loan fund commission expenses        | (379,280,466)                   | (151,534,509)                   |
| Lease liabilities financing expenses | (159,249,575)                   | (154,758,010)                   |
| Credit card commission expenses      | -                               | (180,352,369)                   |
| Other                                | (29,778,737)                    | (41,685,444)                    |
| <b>Financing expenses</b>            | <b>(568,308,778)</b>            | <b>(528,330,332)</b>            |

NOTE 25 - EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)

|  | 31 December 2024     |
|--|----------------------|
| <b>Statement of financial position items</b>         | <b>(191,169,755)</b> |
| Inventories  | 17,867,397           |
| Property, plant, and equipment and intangible assets | 920,243,640          |
| Paid-in capital                                      | (142,483,237)        |
| Share premium  | (506,965,378)        |
| Retained earnings                                    | (470,326,326)        |
| Other equity accounts                                | (2,850,033)          |
| Other assets and liabilities                         | (6,655,818)          |
| <b>Profit or Loss Statement Items</b>                | <b>1,054,484,206</b> |
| Revenue  | (2,162,177,030)      |
| Cost of Sales  | 2,480,197,853        |
| Operational Expenses                                 | 587,187,713          |
| Other income/expenses from operating activities      | 213,356,291          |
| Income from investment activities                    | (7,175,790)          |
| Finance expenses                                     | 9,466,863            |
| Tax expenses   | (66,371,694)         |
| <b>Net Monetary Position Gains/(Losses)</b>          | <b>863,314,451</b>   |

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**NOTE 26 - TAX ASSETS AND LIABILITIES**

|                                       | <b>31 December 2024</b> | <b>31 December 2023</b> |
|---------------------------------------|-------------------------|-------------------------|
| Corporate tax payable                 | 105,483,850             | 127,944,251             |
| Less: Prepaid taxes                   | (19,128,202)            | (69,546,582)            |
| <b>Current period tax liabilities</b> | <b>86,355,648</b>       | <b>58,397,669</b>       |
|                                       | <b>31 December 2024</b> | <b>31 December 2023</b> |
| Current period income tax expense     | (105,483,850)           | (127,944,251)           |
| Deferred tax (income)/expense         | (146,484,445)           | (90,475,858)            |
| <b>Tax expense</b>                    | <b>(251,968,295)</b>    | <b>(218,420,109)</b>    |

In Turkey, the corporate tax rate is 25% (2023: 25%). Corporate tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

In Turkey, provisional tax is calculated and accrued quarterly under Article 32/6 of the Corporate Tax Law, For those whose shares are offered to the public at a rate of at least 20% of the institutions defined in the said law article to be traded in the Borsa Istanbul Equity Market for the first time, the corporate tax rate is applied with a 2 point discount on the corporate earnings for five accounting periods, starting from the accounting period in which their shares are offered to the public for the first time. Since the Company Shares began to be traded in the Borsa Istanbul Equity Market for the first time in 2023, the provisional tax rate must be calculated on the corporate earnings during the taxation of the corporate profits in 2024 as of the provisional tax periods. 23% (2023: 23%), Losses can be carried forward for a maximum of 5 years to be deducted from the taxable profits in future years however, the losses cannot be deducted retroactively from the earnings of previous years

The law amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022. Law No, it has been enacted with the number 7352, and it has been decided that the financial statements will not be subject to inflation adjustment in the 2024 and 2023 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of Repeated Article 298 are met.

Corporate tax rates in England, the United States, and Germany, where the Group has subsidiaries, are 25%, 21%, and 30%, respectively (2023: 25%, 21% and 30%).

**Deferred taxes**

The Group calculates its deferred tax assets and liabilities by taking into account the effects of temporary differences between the financial statements prepared in accordance with TFRS and the statutory financial statements, These temporary differences generally arise from the recognition of income and expenses in different reporting periods in accordance with TFRS Financial Reporting Standards and Tax Laws.

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**NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)**

As of 31 December 2024 and 31 December 2023, the breakdown of accumulated temporary differences and deferred tax assets/(liabilities) using the applicable tax rates is as follows:

|   | <u>Temporary differences</u> |                         | <u>Deferred tax asset</u> |                         |
|---|------------------------------|-------------------------|---------------------------|-------------------------|
|   | <u>31 December 2024</u>      | <u>31 December 2023</u> | <u>31 December 2024</u>   | <u>31 December 2023</u> |
| Inventories   | 252,361,943                  | 206,949,339             | (58,043,247)              | (47,598,348)            |
| Property, plant and equipment and intangible assets | 767,151,009                  | 517,849,443             | (176,444,732)             | (119,105,372)           |
| Trade payables and ve Inventory markdown            | 66,004,143                   | 40,167,861              | (15,180,953)              | (9,238,608)             |
| Employee benefits                                   | (53,930,017)                 | (52,410,369)            | 12,403,904                | 10,482,074              |
| Warranty provisions                                 | (38,383,461)                 | (31,368,945)            | 8,828,196                 | 6,273,789               |
| Right of use assets and lease liabilities           | 529,089,339                  | 215,270,951             | (121,690,548)             | (43,054,190)            |
| Other   | 7,508,630                    | 29,194,542              | (1,726,985)               | (6,714,744)             |
| <b>Deferred tax liabilities, net</b>                |                              |                         | <b>(351,854,365)</b>      | <b>(208,955,399)</b>    |

Movement of deferred tax assets during the period is as follows:

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
| <b>1 January</b>                                       | <b>(208,955,399)</b> | <b>(104,896,416)</b> |
| Tax expense recognized in the profit or loss statement | (146,484,445)        | (90,475,858)         |
| Tax income on other comprehensive income items         | 3,585,479            | (13,583,125)         |
| <b>31 December</b>                                     | <b>(351,854,365)</b> | <b>(208,955,399)</b> |

The reconciliation of current period tax expense is as follows:

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
| <b>Profit before tax</b>                                       | <b>336,571,114</b>   | <b>655,013,726</b>   |
| Tax calculated   | (77,411,356)         | (163,753,431)        |
| Effect of disallowable expenses                                | (25,066,771)         | (15,258,064)         |
| Effect of no deferred tax created losses in the current period | (73,078,955)         | (18,946,760)         |
| Other  | (76,411,213)         | (20,461,854)         |
| <b>Total tax income / (expense)</b>                            | <b>(251,968,295)</b> | <b>(218,420,109)</b> |

**NOTE 27 - RELATED PARTY DISCLOSURES**

In line with the objectives of the consolidated financial statements, partners, senior management, and members of the Board of Directors, along with their families and entities controlled by or affiliated with them, are considered and disclosed as related parties. The related parties, whose transaction details are provided below, are managed by the Group's partners.

As of 31 December 2024 and 31 December 2023, balances due to and due to related parties and a summary of transactions with related parties during the period are presented below:

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**NOTE 27 - RELATED PARTY DISCLOSURES (Continued)**

**i) Related party balances as of 31 December 2024 and 31 December 2023:**

**a) Trade and other receivables from related parties**

As of 31 December 2024, the Group has no trade and other receivables from related parties.  
(31 December 2023: None)

**b) Trade payables to related parties**

|  | <b>31 December 2024</b> | <b>31 December 2023</b> |
|--|-------------------------|-------------------------|
| Hedef Tüketim Ürün. San. Dış Tic. A.Ş.                       | 19,758,760              | 11,988,929              |
| Turkuvaz Plastik ve Tem. Ürün. San. Tic. A.Ş.                | 3,407,528               | 13,733,430              |
| Avansas Ofis Malzemeleri Ticaret A.Ş.                        | 1,692,691               | 1,048,823               |
| Seranit Granit Seramik San. Ve Tic. A.Ş.                     | 1,619,725               | 4,135,580               |
| Anadolu Ulaşım A.Ş.  | 331,996                 | -                       |
| İdeal Standart İşletmecilik ve Mümessillik San, ve Tic, A,Ş, | 171,159                 | -                       |
| <b>Total</b>   | <b>26,981,859</b>       | <b>30,906,762</b>       |

**ii) Sales to and purchases from related parties for the accounting period 1 January -  
31 December 2024:**

**a) Purchases from related parties**

|   | <b>Trade goods</b> | <b>Other</b>      | <b>1 January –<br/>31 December 2024</b> |
|---|--------------------|-------------------|---|
| Anadolu Ulaşım A.Ş                            | -                  | 22,113,578        | 22,113,578                              |
| Avansas Ofis Malzemeleri Ticaret A.Ş.         | -                  | 7,970,598         | 7,970,598                               |
| Hedef Tüketim Ürün. San. Dış Tic. A.Ş.        | 49,568,175         | -                 | 49,568,175                              |
| Turkuvaz Plastik ve Tem.Ürün.San.Tic.A.Ş.     | 51,387,726         | -                 | 51,387,726                              |
| Bim Birlesik Magazalar A.S.                   | -                  | 563,991           | 563,991                                 |
| Seranit Granit Seramik San. Ve Tic. A.Ş.      | -                  | 10,474,936        | 10,474,936                              |
| Aktül Kağıt Üretim Paz, A,Ş,                  | -                  | 37,541            | 37,541                                  |
| İdeal Standart İşl, ve Müm, San, ve Tic, A,Ş, | 2,301,987          | -                 | 2,301,987                               |
| <b>Total</b>                                  | <b>103,257,888</b> | <b>41,160,644</b> | <b>144,418,532</b>                      |

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NOTE 27 - RELATED PARTY DISCLOSURES (Continued)

|   | Trade goods        | Other             | 1 January –<br>31 December 2023 |
|---|--------------------|-------------------|---------------------------------|
| Anadolu Ulaşım A,Ş                            | -                  | 10,123,312        | 10,123,312                      |
| Avansas Ofis Malzemeleri Ticaret A,Ş,         | -                  | 6,315,162         | 6,315,162                       |
| Hedef Tüketim Ürün, San, Dış Tic, A,Ş,        | 91,319,645         | -                 | 91,319,645                      |
| Turkuvaz Plastik ve Tem, Ürün, San, Tic, A,Ş, | 90,207,546         | -                 | 90,207,546                      |
| Bim Birlesik Magazalar A,S,                   | 58,944             | 7,219,985         | 7,278,929                       |
| Seranit Granit Seramik San, Ve Tic, A,Ş,      | -                  | 25,535,759        | 25,535,759                      |
| Evidea Mağazacılık A,Ş,                       | 68,319             | 8,793,507         | 8,861,826                       |
| <b>Total</b>                                  | <b>181,654,454</b> | <b>57,987,725</b> | <b>239,642,179</b>              |

b) Sales to related parties

|  | Product sales     | Other sales      | 1 January –<br>31 December<br>2024 |
|--|-------------------|------------------|------------------------------------|
| Avansas Ofis Malzemeleri Ticaret A,Ş,  | -                 | 151,452          | 151,452                            |
| Hedef Tüketim Ürün, San, Dış Tic, A,Ş, | 15,202,656        | -                | 15,202,656                         |
| Bim Birlesik Magazalar A,S,            | 1,268,134         | -                | 1,268,134                          |
| Evidea Mağazacılık A,Ş,                | 66,202            | 6,509,699        | 6,575,901                          |
| Aktül Kağıt Üretim Paz, A,Ş,           | 105,912           | -                | 105,912                            |
| <b>Toplam</b>                          | <b>16,642,904</b> | <b>6,661,151</b> | <b>23,304,055</b>                  |

|  | Product sales     | Other sales       | 1 January –<br>31 December<br>2023 |
|--|-------------------|-------------------|------------------------------------|
| Fatma Zehra Ülker                      | 2,026,433         | -                 | 2,026,433                          |
| Fatma Hande Topbaş                     | 2,026,433         | -                 | 2,026,433                          |
| Mahmud Muhammed Topbaş                 | 2,026,433         | -                 | 2,026,433                          |
| Musa Topbaş                            | 2,026,433         | -                 | 2,026,433                          |
| Mustafa Latif Topbaş                   | 2,405,701         | -                 | 2,405,701                          |
| Avansas Ofis Malzemeleri Ticaret A,Ş,  | -                 | 44,766            | 44,766                             |
| Hedef Tüketim Ürün, San, Dış Tic, A,Ş, | 18,390,578        | -                 | 18,390,578                         |
| Bim Birlesik Magazalar A,S,            | 2,137             | -                 | 2,137                              |
| Anadolu Ulaşım A,Ş,                    | 47,739            | 15,638,121        | 15,685,860                         |
| Evidea Mağazacılık A,Ş,                | 418,941           | 14,179,452        | 14,598,393                         |
| Aktül Kağıt Üretim Paz, A,Ş,           | 99,841            | -                 | 99,841                             |
| <b>Toplam</b>                          | <b>29,470,669</b> | <b>29,862,339</b> | <b>59,333,008</b>                  |

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**NOTE 27 - RELATED PARTY DISCLOSURES (Continued)**

**iii) Other transactions with related parties for the accounting period 31 December 2024 and 31 December 2023 :**

Benefits including wages and premiums provided to key management during the period are as follows;

|                                       | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|---------------------------------------|---|---|
| Short-term benefits to management (*) | 94,745,380                              | 69,337,107                              |

(\*) All of the benefits provided to the key management (includes CEO, General Manager ,members of the Board of Directors and Directors) within the period from 1 January to 31 December 2024 and 31 December 2023 are short-term benefits.

**NOTE 28 - EARNINGS PER SHARE**

|  | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|--|---|---|
| Average number of shares available during the period                         | 160,000,000                             | 160,000,000                             |
| Net profit / (loss) for the year attributable to shareholders of the Company | 115,984,434                             | 436,167,354                             |
| <b>Earnings per share</b>  | <b>0,72</b>                             | <b>2,73</b>                             |

**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Group is exposed to various financial risks due to its activities. These risks are market risk, currency risk, interest rate risk, price risk and cash flow interest rate risk, credit risk and liquidity risk, The Group's overall risk management program focuses on the volatility of financial markets and minimizing the possible adverse effects on the Group's financial performance.

Risk management is implemented within the framework of policies approved by the Group Board of Directors.

a) Market risk

*Currency risk*

As the functional currency of the Group is TRY, the Group monitors its foreign exchange risk by analyzing the foreign currency denominated assets and liabilities. The Group follows and mitigates the foreign currency risk by analyzing currency position.

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2024 and 31 December 2023, the amounts of the Group's foreign currency assets and liabilities and their TRY provisions are as follows:

| 31 December 2024   | TRY Equivalent      | USD                | EUR              | GBP         |
|--|---------------------|--------------------|------------------|-------------|
| 1. Trade receivables   | -                   | -                  | -                | -           |
| 2a. Monetary financial assets  | 2,569,716           | 6,273              | 62,963           | 800         |
| 2b. Non-monetary financial assets  | -                   | -                  | -                | -           |
| 3. Other   | -                   | -                  | -                | -           |
| <b>4. Current assets (1+2+3)</b>   | <b>2,569,716</b>    | <b>6,273</b>       | <b>62,963</b>    | <b>800</b>  |
| 5. Trade receivables   | -                   | -                  | -                | -           |
| 6a. Monetary financial assets  | -                   | -                  | -                | -           |
| 6b. Non-monetary financial assets  | -                   | -                  | -                | -           |
| 7. Other   | -                   | -                  | -                | -           |
| <b>8. Non current assets (5+6+7)</b>   | <b>-</b>            | <b>-</b>           | <b>-</b>         | <b>-</b>    |
| <b>9. Total assets (4+8)</b>   | <b>2,569,716</b>    | <b>6,273</b>       | <b>62,963</b>    | <b>800</b>  |
| 10. Trade payables   | 57,410,659          | 1,247,929          | 360,495          | 833         |
| 11. Financial liabilities  | -                   | -                  | -                | -           |
| 12a. Other monetary obligations  | -                   | -                  | -                | -           |
| 12b. Other non-monetary obligations  | -                   | -                  | -                | -           |
| <b>13. Short-term liabilities (10+11+12)</b>   | <b>57,410,659</b>   | <b>1,247,929</b>   | <b>360,495</b>   | <b>833</b>  |
| 14. Trade payables   | -                   | -                  | -                | -           |
| 15. Financial liabilities  | -                   | -                  | -                | -           |
| 16a. Other monetary obligations  | -                   | -                  | -                | -           |
| 16b. Other non-monetary obligations  | -                   | -                  | -                | -           |
| <b>17. Long-term liabilities (14+15+16)</b>  | <b>-</b>            | <b>-</b>           | <b>-</b>         | <b>-</b>    |
| <b>18. Total liabilities (13+17)</b>   | <b>57,410,659</b>   | <b>1,247,929</b>   | <b>360,495</b>   | <b>833</b>  |
| 19. Net asset/liability position of off-balance sheet derivative instruments (19a-19b)                         | -                   | -                  | -                | -           |
| 19.a Amount of off-balance sheet foreign currency derivative productst with active charactert                  | -                   | -                  | -                | -           |
| 19.b. Amount of derivative products denominated in off-balance sheet foreign currency with a passive character | -                   | -                  | -                | -           |
| <b>20. Net foreign currency asset/ (liability) position (9-18+19)</b>  | <b>(54,840,943)</b> | <b>(1,241,656)</b> | <b>(297,532)</b> | <b>(33)</b> |
| <b>21. Monetary items net foreign currency asset/ (liability) position (1+2a+3+5+6a+7-10-11-12a-14-15-16a)</b> | <b>(54,840,943)</b> | <b>(1,241,656)</b> | <b>(297,532)</b> | <b>(33)</b> |
| 22. Total fair value of financial instruments used for currency hedging  | -                   | -                  | -                | -           |
| 23. Amount of hedged portion of foreign currency assets  | -                   | -                  | -                | -           |

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

| 31 December 2023   | TRY Equivalent<br>(Indexed) | TRY Equivalent<br>(Not indexed) | USD              | EUR              | GBP             |
|--|-----------------------------|---------------------------------|------------------|------------------|-----------------|
| 1. Trade receivables   | -                           | -                               | -                | -                | -               |
| 2a. Monetary financial assets  | 175,112,894                 | 121,287,148                     | 4,113,068        | 5,983            | 292             |
| 2b. Non-monetary financial assets  | -                           | -                               | -                | -                | -               |
| 3. Other   | -                           | -                               | -                | -                | -               |
| <b>4. Current assets (1+2+3)</b>   | <b>175,112,894</b>          | <b>121,287,148</b>              | <b>4,113,068</b> | <b>5,983</b>     | <b>292</b>      |
| 5. Trade receivables   | -                           | -                               | -                | -                | -               |
| 6a. Monetary financial assets  | -                           | -                               | -                | -                | -               |
| 6b. Non-monetary financial assets  | -                           | -                               | -                | -                | -               |
| 7. Other   | -                           | -                               | -                | -                | -               |
| <b>8. Non current assets (5+6+7)</b>   | <b>-</b>                    | <b>-</b>                        | <b>-</b>         | <b>-</b>         | <b>-</b>        |
| <b>9. Total assets (4+8)</b>   | <b>175,112,894</b>          | <b>121,287,148</b>              | <b>4,113,068</b> | <b>5,983</b>     | <b>292</b>      |
| 10. Trade payables   | 29,650,090                  | 20,536,322                      | 455,337          | 187,024          | 26,696          |
| 11. Financial liabilities  | -                           | -                               | -                | -                | -               |
| 12a. Other monetary obligations  | -                           | -                               | -                | -                | -               |
| 12b. Other non-monetary obligations  | -                           | -                               | -                | -                | -               |
| <b>13. Short-term liabilities (10+11+12)</b>   | <b>29,650,090</b>           | <b>20,536,322</b>               | <b>455,337</b>   | <b>187,024</b>   | <b>26,696</b>   |
| 14. Trade payables   | -                           | -                               | -                | -                | -               |
| 15. Financial liabilities  | -                           | -                               | -                | -                | -               |
| 16a. Other monetary obligations  | -                           | -                               | -                | -                | -               |
| 16b. Other non-monetary obligations  | -                           | -                               | -                | -                | -               |
| <b>17. Long-term liabilities (14+15+16)</b>  | <b>-</b>                    | <b>-</b>                        | <b>-</b>         | <b>-</b>         | <b>-</b>        |
| <b>18. Total liabilities (13+17)</b>   | <b>29,650,090</b>           | <b>20,536,322</b>               | <b>455,337</b>   | <b>187,024</b>   | <b>26,696</b>   |
| 19. Net asset/liability position of off-balance sheet<br>derivative instruments (19a-19b)                        | -                           | -                               | -                | -                | -               |
| 19.a Amount of off-balance sheet foreign currency derivative productst<br>with active charactert                 | -                           | -                               | -                | -                | -               |
| 19b. Amount of derivative products denominated in off-balance sheet<br>foreign currency with a passive character | -                           | -                               | -                | -                | -               |
| <b>20. Net foreign currency asset/ (liability) position (9-18+19)</b>  | <b>145,462,804</b>          | <b>100,750,826</b>              | <b>3,657,731</b> | <b>(181,041)</b> | <b>(26,404)</b> |
| <b>21. Monetary items net foreign currency asset/ (liability) position (1+2a+3+5+6a+7-10-11-12a-14-15-16a)</b>   | <b>145,462,804</b>          | <b>100,750,826</b>              | <b>3,657,731</b> | <b>(181,041)</b> | <b>(26,404)</b> |
| 22. Total fair value of financial instruments<br>used for currency hedging                                       | -                           | -                               | -                | -                | -               |
| 23. Amount of hedged portion of foreign currency assets  | -                           | -                               | -                | -                | -               |

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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

The analysis of foreign currency sensitivity at 31 December 2024 and 31 December 2023 is as follows:

|  | <b>Profit/loss</b>                   | <b>Profit/loss</b>                  |
|--|--------------------------------------|-------------------------------------|
|  | <b>Foreign currency appreciation</b> | <b>Foreign currency depreciaton</b> |
| <b>31 December 2024</b>                                |                                      |                                     |
| <b>Increase/decrease in the USD against TRY by 10%</b> |                                      |                                     |
| 1- USD net asset/(liability)                           | (4,388,525)                          | 4,388,525                           |
| 2- USD hedged from risks (-)                           | -                                    | -                                   |
| <b>3- USD net effect (1+2)</b>                         | <b>(4,388,525)</b>                   | <b>4,388,525</b>                    |
| <b>Increase/decrease in the EUR against TRY by 10%</b> |                                      |                                     |
| 4- EUR net asset/(liability)                           | (1,095,406)                          | 1,095,406                           |
| 5- EUR hedged from risks (-)                           | -                                    | -                                   |
| <b>6- EUR net effect (4+5)</b>                         | <b>(1,095,406)</b>                   | <b>1,095,406</b>                    |
| <b>Increase/decrease in the GDP against TRY by 10%</b> |                                      |                                     |
| 4- GBP net asset/(liability)                           | (163)                                | 163                                 |
| 5- GBP hedged from risks (-)                           | -                                    | -                                   |
| <b>6- GBP net effect (4+5)</b>                         | <b>(163)</b>                         | <b>163</b>                          |
| <b>Total net effect</b>                                | <b>(5,484,094)</b>                   | <b>5,484,094</b>                    |
|  | <b>Profit/loss</b>                   | <b>Profit/loss</b>                  |
|  | <b>Foreign currency appreciation</b> | <b>Foreign currency depreciaton</b> |
| <b>31 December 2023</b>                                |                                      |                                     |
| <b>Increase/decrease in the USD against TRY by 10%</b> |                                      |                                     |
| 1- USD net asset/(liability)                           | 15,542,785                           | (15,542,785)                        |
| 2- , USD hedged from risks (-)                         | -                                    | -                                   |
| <b>3- USD net effect (1+2)</b>                         | <b>15,542,785</b>                    | <b>(15,542,785)</b>                 |
| <b>Increase/decrease in the EUR against TRY by 10%</b> |                                      |                                     |
| 4- EUR net asset/(liability)                           | (853,017)                            | 853,017                             |
| 5- EUR hedged from risks (-)                           | -                                    | -                                   |
| <b>6- EUR net effect (4+5)</b>                         | <b>(853,017)</b>                     | <b>853,017</b>                      |
| <b>Increase/decrease in the GDP against TRY by 10%</b> |                                      |                                     |
| 4- GBP net asset/(liability)                           | (143,487)                            | 143,487                             |
| 5- GBP hedged from risks (-)                           | -                                    | -                                   |
| <b>6- GBP net effect (4+5)</b>                         | <b>(143,487)</b>                     | <b>143,487</b>                      |
| <b>Total net effect</b>                                | <b>14,546,280</b>                    | <b>(14,546,280)</b>                 |

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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

*Price risk*

The Group has no financial assets that will expose it to price risk.

*Interest risk*

The Group does not have any significant interest-sensitive assets, The Group's income and cash flows from its operations are largely independent of changes in market interest rates.

The Group's interest rate risk arises from short and long term borrowings, The Group has no time deposits, Although the bank loans received by the Group have fixed interest rates, future loans and deposits for the continuation of operations are affected by future interest rates.

As of 31 December 2024 and 31 December 2023, the Group's financial liabilities consist of fixed rate bank loans and lease liabilities.

**31 December 2024    31 December 2023**

**Fixed rate financial instruments**

|               |               |               |
|---------------|---------------|---------------|
| Time deposits | -             | -             |
| Borrowings    | 1,351,274,124 | 1,430,533,186 |

**Variable rate financial instruments**

|                       |             |             |
|-----------------------|-------------|-------------|
| Time deposits         | -           | -           |
| Financial investments | 117,841,844 | 174,746,250 |
| Borrowings            | -           | -           |

b) Credit risk

The Group is exposed to credit risk due to its trade receivables arising from forward sales and deposits held in banks. These terms are generally less than one month. If deemed necessary, collateral is taken for sales made to companies outside the group. The Group does not have any collection problems.

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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

As of 31 December 2024 and 31 December 2023, the amounts of the Group's foreign currency assets and liabilities and their TRY provisions are as follows:

| <b>31 December 2024</b>   | <b>Trade receivables from<br/>related parties</b> | <b>Trade receivables from<br/>third parties</b> | <b>Other receivables<br/>from third parties</b> | <b>Deposits in<br/>Bank</b> |
|---|---|---|---|-----------------------------|
| Net book value of financial assets that are not overdue or impaired | -   | 73,138,129                                      | 2,651,934                                       | 1,266,812,649               |
| Secured portion   | -   | -   | -   | -                           |
| Net book value of overdue but not impaired assets                   | -   | -   | -   | -                           |
| Secured portion   | -   | -   | -   | -                           |
| Net book value of impaired assets                                   | -   | -   | -   | -                           |
| - Overdue (gross book value)  | -   | -   | 1,711,474                                       | -                           |
| - Impairment (-)  | -   | -   | (1,711,474)                                     | -                           |
| - Not overdue (gross book value)                                    | -   | -   | -   | -                           |
| - Impairment (-)  | -   | -   | -   | -                           |
| Elements involving off-balance sheet credit risk                    | -   | -   | -   | -                           |
| <b>Maximum exposure to credit risk</b>                              | -   | <b>73,138,129</b>                               | <b>2,651,934</b>                                | <b>1,266,812,649</b>        |

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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

As of 31 December 2024 and 31 December 2023, the amounts of the Group's foreign currency assets and liabilities and their TRY provisions are as follows:

| <b>31 December 2023</b>   | <b>Trade receivables from related parties</b> | <b>Trade receivables from third parties</b> | <b>Other receivables from third parties</b> | <b>Deposits in Bank</b> |
|---|---|---|---|-------------------------|
| Net book value of financial assets that are not overdue or impaired | -   | 62,321,575                                  | 4,487,494                                   | 1,235,145,346           |
| Secured portion   | -   | -   | -   | -                       |
| Net book value of overdue but not impaired assets                   | -   | -   | -   | -                       |
| Secured portion   | -   | -   | -   | -                       |
| Net book value of impaired assets                                   | -   | -   | -   | -                       |
| - Overdue (gross book value)  | -   | 1,161,852                                   | 1,711,474                                   | -                       |
| - Impairment (-)  | -   | (1,161,852)                                 | (1,711,474)                                 | -                       |
| - Not overdue (gross book value)                                    | -   | -   | -   | -                       |
| - Impairment (-)  | -   | -   | -   | -                       |
| Elements involving off-balance sheet credit risk                    | -   | -   | -   | -                       |
| <b>Maximum exposure to credit risk</b>                              | <b>-</b>                                      | <b>62,321,575</b>                           | <b>4,487,494</b>                            | <b>1,235,145,346</b>    |

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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

c) Liquidity risk

Liquidity risk management refers to the ability to hold sufficient cash and securities, the availability of sufficient loan transactions and fund resources, and the ability to close market positions.

The risk of non-fulfillment of financial obligations is eliminated by harmonizing the balance sheet and cash flow. In this context, compatibility of receivable and payable day maturities is taking into account, net working capital management targets are set in order to preserve short-term liquidity, and balance sheet ratios are tried to be kept at certain levels

As of 31 December 2024 and 31 December 2023, the presentation of liabilities according to their undiscounted cash flows and remaining maturities is presented in the tables below:

| <b>31 December 2024</b>                         | <b>Book value</b>    | <b>Less than<br/>3 month</b> | <b>3 - 12<br/>month</b> | <b>1 - 5<br/>years</b> | <b>Total cash<br/>outflows<br/>pursuant to the<br/>contract</b> |
|---|----------------------|------------------------------|-------------------------|------------------------|---|
| Financial liabilities                           | 611,785,306          | 181,541,757                  | 614,317,998             | -                      | 795,859,755   |
| Trade payables to third parties                 | 4,325,974,415        | 4,349,541,461                | 237,930,000             | -                      | 4,587,471,461   |
| Trade payables to related parties               | 26,981,859           | 26,981,859                   | -                       | -                      | 26,981,859  |
| Lease liabilities                               | 739,488,818          | 96,553,606                   | 289,031,214             | 1,160,104,603          | 1,545,689,423   |
| <b>Non-derivative<br/>financial liabilities</b> | <b>5,704,230,398</b> | <b>4,654,618,683</b>         | <b>1,141,279,212</b>    | <b>1,160,104,603</b>   | <b>6,956,002,498</b>  |

  

| <b>31 December 2023</b>                         | <b>Book value</b>    | <b>Less than<br/>3 month</b> | <b>3 - 12<br/>month</b> | <b>1 - 5<br/>years</b> | <b>Total cash<br/>outflows<br/>pursuant to the<br/>contract</b> |
|---|----------------------|------------------------------|-------------------------|------------------------|---|
| Financial liabilities                           | 662,603,259          | 299,011,455                  | 491,793,150             | -                      | 790,804,605   |
| Trade payables to third parties                 | 3,394,399,530        | 3,274,434,180                | 318,408,948             | -                      | 3,592,843,128   |
| Trade payables to related parties               | 30,906,762           | 30,906,762                   | -                       | -                      | 30,906,762  |
| Lease liabilities                               | 767,929,927          | 78,253,275                   | 232,736,639             | 763,472,792            | 1,074,462,706   |
| <b>Non-derivative<br/>financial liabilities</b> | <b>4,855,839,478</b> | <b>3,682,605,672</b>         | <b>1,042,938,737</b>    | <b>763,472,792</b>     | <b>5,489,017,201</b>  |

**Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors the capital using the net financial debt/total equity ratio. Net financial debt is calculated by deducting the sum of financial liabilities (including long-term and short-term financial liabilities) from cash and cash equivalents. This ratio is found by dividing net financial debt by total equity.

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)

|  | 31 December 2024     | 31 December 2023     |
|--|----------------------|----------------------|
| Financial liabilities (Note 14)          | 1,351,274,124        | 1,430,533,186        |
| Less: Cash and cash equivalents (Note 4) | (1,273,098,970)      | (1,250,485,686)      |
| Less: Financial Investments              | (117,841,844)        | (174,746,250)        |
| <b>Net financial debt</b>                | <b>(39,666,690)</b>  | <b>5,301,250</b>     |
| <b>Total equity</b>                      | <b>3,624,203,038</b> | <b>3,656,188,252</b> |
| <b>Net financial debt/equity</b>         | <b>(0,011)</b>       | <b>0,001</b>         |

**Fair value of financial assets**

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

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, 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 Group could realize in a current market exchange.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

*Financial Assets*

It is accepted that the fair values of the balances denominated in foreign currency, which are translated at the period-end rates, approximate their carrying values.

The fair values of cash and cash equivalents are considered to approximate their book values due to their short-term nature.

It is estimated that the discounted carrying values of trade receivables are approximated to their fair values together with the related impairment provisions.

*Financial Liabilities*

Due to the short-term nature of trade payables and other monetary liabilities, their fair values are considered to approximate to their carrying values. When the long-term fixed-rate bank loans are valued with the fixed interest rate valid as of the balance sheet date, it is seen that the fair value approximates to the carrying value. Since the maturities of short-term loans are short, it is assumed that their carrying values approximate to their fair values.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

**NOTE 30 - SUPPLEMENTARY CASH FLOW INFORMATION**

|                                 | <b>Borrowings</b>  | <b>Lease liability</b> | <b>Total</b>         |
|---------------------------------|--------------------|------------------------|----------------------|
| <b>1 January 2024</b>           | <b>662,603,259</b> | <b>767,929,927</b>     | <b>1,430,533,186</b> |
| Cash inflows during the period  | 1,200,748,627      | -                      | 1,200,748,627        |
| Lease additions                 | -                  | 496,822,594            | 496,822,594          |
| Lease terminations              | -                  | (19,370,673)           | (19,370,673)         |
| Cash outflows during the period | (1,081,783,683)    | (288,207,132)          | (1,369,990,815)      |
| Other                           | 24,969,759         | 159,249,575            | 184,219,334          |
| Monetary gain/(loss)            | (194,752,656)      | (376,935,473)          | (571,688,129)        |
| <b>31 December 2024</b>         | <b>611,785,306</b> | <b>739,488,818</b>     | <b>1,351,274,124</b> |
|                                 | <b>Borrowings</b>  | <b>Lease liability</b> | <b>Total</b>         |
| <b>1 January 2023</b>           | <b>750,871,822</b> | <b>581,217,415</b>     | <b>1,332,089,237</b> |
| Cash inflows during the period  | 1,890,106,303      | -                      | 1,890,106,303        |
| Lease additions                 | -                  | 478,267,968            | 478,267,968          |
| Lease terminations              | -                  | (3,592,320)            | (3,592,320)          |
| Cash outflows during the period | (1,689,636,430)    | (224,146,141)          | (1,913,782,571)      |
| Other                           | 6,432,398          | 154,758,010            | 161,190,408          |
| Monetary gain/(loss)            | (295,170,834)      | (218,575,005)          | (513,745,839)        |
| <b>31 December 2023</b>         | <b>662,603,259</b> | <b>767,929,927</b>     | <b>1,430,533,186</b> |

**NOTE 31 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR  
/INDEPENDENT AUDIT FIRMS**

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

|  | <b>1 January –<br/>31 December 2024</b> | <b>1 January –<br/>31 December 2023</b> |
|--|---|---|
| Independent audit fee for the reporting period | 4,352,975                               | 10,060,710                              |
| Fees for other assurance services              | 117,648                                 | 158,756                                 |
| <b>Total</b>                                   | <b>4,470,623</b>                        | <b>10,219,466</b>                       |

**NOTE 32 - EVENTS AFTER THE BALANCE SHEET DATE**

A lease certificate of 200,000,000 TL with a maturity of 183 days and a simple rate of 44% on 16 January 2025 and a lease certificate of 200,000,000 TL with a maturity of 179 days and a simple rate of 42,5% 3 February 2025 were issued, within the scope of the issue document approved by the Capital Markets Board on 8 August 2024.

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**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

**APPENDIX 1 - EBITDA**

The Group calculates EBITDA amount by subtracting general administrative expenses and marketing expenses from the gross profit amount in the consolidated profit or loss statement and adding depreciation expense and amortization. EBITDA is not a performance measure defined in TFRS and may not be comparable to other companies.

|   | <b>1 January -<br/>31 December 2024</b> | <b>1 January -<br/>31 December 2023</b> |
|---|---|---|
| Revenue                                 | 18,322,394,564                          | 16,400,066,401                          |
| Cost of sales (-)                       | (11,809,750,739)                        | (11,780,246,930)                        |
| <b>Gross profit</b>                     | <b>6,512,643,825</b>                    | <b>4,619,819,471</b>                    |
| General and administrative expenses (-) | (660,844,168)                           | (580,669,799)                           |
| Marketing expenses (-)                  | (4,263,060,979)                         | (3,597,472,104)                         |
| Addition: Depreciation and amortization | 565,757,976                             | 598,723,527                             |
| <b>EBITDA</b>                           | <b>2,154,496,654</b>                    | <b>1,040,401,095</b>                    |
| <b>%</b>                                | <b>11,76</b>                            | <b>6,34</b>                             |

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