

EBEBEK MAĐAZACILIK A.Ő.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2024**

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

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2024**

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

	Notes	Current period 31 March 2024	Prior period 31 December 2023
ASSETS			
Current assets		5,358,752,828	5,095,526,333
Cash and cash equivalents	3	945,839,446	996,582,895
Financial investments	13	133,868,429	139,265,188
Trade receivables			
- Trade receivables from third parties	4	76,633,242	49,667,594
Other receivables			
- Other receivables from third parties		2,847,484	8,134,136
Inventories	7	3,253,000,311	3,142,363,184
Prepaid expenses	5	633,827,380	457,351,446
Other current assets	6	312,736,536	306,719,687
Non-current assets		2,334,181,155	2,108,050,765
Other receivables			
- Other receivables from third parties		842,813	954,201
Property, plant and equipment	8	1,164,515,494	1,038,471,583
Intangible assets			
- Other intangible assets	9	128,441,499	96,994,861
- Goodwill		178,574,029	178,574,029
Right-of-use-assets	10	827,750,034	779,747,605
Prepaid expenses	5	34,057,286	13,308,486
Total assets		7,692,933,983	7,203,577,098

These consolidated financial statements were signed by Board of Directors to be issued on 23 May 2024.

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

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2024**

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

	Notes	Current period 31 March 2024	Prior period 31 December 2023
LIABILITIES			
Short term liabilities		3,873,548,899	3,561,055,725
Short-term borrowings	11	740,944,515	528,066,079
Lease liabilities	11	141,128,059	127,843,244
Trade payables			
- Trade payables to related parties	4, 21	24,839,745	24,631,350
- Trade payables to third parties	4	2,792,860,874	2,705,189,310
Employee benefit obligations		43,724,607	63,298,169
Current income tax liabilities	20	54,279,485	46,540,411
Short-term provisions			
- Provisions for employee benefits		4,356,507	3,804,182
Deferred income		46,011,891	37,510,365
Other short term liabilities		25,403,216	24,172,615
Long term liabilities		850,608,561	728,697,798
Lease liabilities	11	509,515,336	484,163,626
Long-term provisions			
- Provisions for employee benefits		49,130,195	41,768,793
- Other long term provision		22,091,057	21,195,507
Deferred income		3,993,826	4,915,876
Deferred tax liability	20	256,667,758	166,528,397
Other long term liabilities		9,210,389	10,125,599
Equity			
Equity holders of the parent		2,966,151,924	2,912,382,119
Paid-in capital	14	160,000,000	160,000,000
Adjustment to share capital	14	209,425,222	209,425,222
Share premium	14	1,314,440,925	1,314,440,925
Restricted reserves	14	4,506,521	1,572,207
Other comprehensive income or expenses not to be reclassified to profit or loss			
- Actuarial losses arising from defined benefit plans		(19,523,270)	(18,340,381)
Other comprehensive income or expenses to be reclassified to profit or loss			
- Currency translation differences		11,810,741	9,015,693
Retained earnings		1,233,334,139	885,727,662
Net income for the period		52,157,646	347,606,477
Non-controlling interests		2,624,599	1,441,456
Total Equity		2,968,776,523	2,913,823,575
Total liabilities and equity		7,692,933,983	7,203,577,098

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

EBEBEK MAĞAZACILIK A.Ş.

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

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

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Net sales	15	3,556,549,914	3,166,550,376
Cost of sales (-)	15,16	(2,499,592,991)	(2,438,942,777)
Gross profit		1,056,956,923	727,607,599
Marketing expenses (-)	16	(905,440,100)	(676,189,595)
General administrative expenses (-)	16	(139,679,069)	(112,251,603)
Other income from operating activities	17	4,414,501	9,499,978
Other expenses from operating activities (-)	17	(203,432,221)	(66,334,001)
Operating profit		(187,179,966)	(117,667,622)
Income from investment activities	18	17,873,466	5,464,891
Operating loss before financial expense		(169,306,500)	(112,202,731)
Financial expenses	19	(111,139,779)	(103,565,836)
Net monetary position gain/(loss)		425,103,986	495,083,132
Profit from continuing operations before tax		144,657,707	279,314,565
Current tax expense for the period (-)	20	(905,492)	(5,052,336)
- Deferred tax income/(expense)	20	(90,411,426)	(72,593,378)
Net profit from continuing operations		53,340,789	201,668,851
Profit / (Loss) Distribution			
- Non-controlling interests		1,183,143	1,332,626
- Equity holders of the parent		52,157,646	200,336,225
Earnings per share	22	0,33	1.25
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss			
Gain/ loss arising from defined benefit plans		(1,454,954)	(1,557,915)
Total taxes on other comprehensive expense that will not be reclassified to profit or loss		272,065	259,653
To be reclassified to profit or loss			
Currency translation differences		2,795,048	6,972,541
OTHER COMPREHENSIVE INCOME		1,612,159	5,674,279
TOTAL COMPREHENSIVE INCOME		54,952,948	207,343,130
Distribution of total comprehensive income			
- Non-controlling interests		1,183,143	1,332,626
- Equity holders of the parent		53,769,805	206,010,504

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

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EBEBEK MAĞAZACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 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 Actuarial losses arising from defined benefit plans	Other comprehensive income that be reclassified in profit or loss Currency translation differences	Retained earnings	Net income for the period	Equity holders of the parent	Non-controlling interests	Total equity
Balances as of January 1, 2023	17,500,000	124,518,429	-	1,572,207	(72,466,191)	(1,089,274)	776,714,225	309,998,308	1,156,747,704	1,101,743	1,157,849,447
Capital increase	23,500,000	18,276,801	-	-	-	-	(41,776,801)	-	-	-	-
Transfers	-	-	-	-	-	-	309,998,308	(309,998,308)	-	-	-
Total comprehensive income	-	-	-	-	(1,298,262)	6,972,541	-	200,336,225	206,010,504	1,332,626	207,343,130
Balances as of 31 March 2023	41,000,000	142,795,230	-	1,572,207	(73,764,453)	5,883,267	1,044,935,732	200,336,225	1,362,758,208	2,434,369	1,365,192,577
Balances as of January 1, 2024	160,000,000	209,425,222	1,314,440,925	4,506,521	(18,340,381)	9,015,693	885,727,662	347,606,477	2,912,382,119	1,441,456	2,913,823,575
Transfers	-	-	-	-	-	-	347,606,477	(347,606,477)	-	-	-
Total comprehensive income	-	-	-	-	(1,182,889)	2,795,048	-	52,157,646	53,769,805	1,183,143	54,952,948
Balances as of 31 March 2024	160,000,000	209,425,222	1,314,440,925	4,506,521	(19,523,270)	11,810,741	769,182,115	302,099,366	2,966,151,924	2,624,599	2,968,776,523

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH)

EBEBEK MAĞAZACILIK A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2024

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

	Notes	Current period 31 March 2024	Prior period 31 March 2023
A. Cash flows from operating activities		166,452,262	99,338,277
Net income for the period		53,340,789	201,668,851
Adjustments to reconcile net profit		58,460,596	(27,257,704)
Depreciation and amortization expenses	8,9,10	116,164,967	93,490,915
Corrections regarding provisions		12,569,754	30,513,933
- Adjustments regarding provisions for employee benefits		11,121,879	15,046,578
- Corrections regarding warranty provisions		1,447,875	15,467,355
Adjustments for stock impairment	7	2,619	(8,887,258)
Adjustments regarding financing (income)/expenses		111,139,779	103,565,836
- Corrections regarding financial income		-	-
- Corrections regarding financial expenses	19	111,139,779	103,565,836
Adjustments resulting from the sale of tangible assets,	18	(2,589,065)	(5,464,891)
Adjustments for other items that give rise to			
cash flows from investing or financing activities		(15,284,401)	-
Adjustments related to tax expense	20	91,316,918	77,645,714
Monetary gain/(loss)		(254,859,975)	(318,121,953)
Changes in net working capital		60,754,962	(70,699,470)
Adjustments for (increase)/decrease in trade receivables		(33,467,911)	(33,708,532)
Adjustments for (increase)/decrease in inventories		(110,639,746)	(788,380,979)
Adjustments for (increase)/decrease in prepaid expenses		(197,224,734)	(71,973,117)
Adjustments for (increase)/decrease in trade payables		445,256,075	881,405,692
Adjustments for (increase)/decrease in other receivables		840,242	8,123,436
Adjustments for Increase (decrease) in employee benefit liabilities		(11,286,844)	(8,027,631)
Other adjustments related to decrease (increase) in net working capital		(32,722,120)	(58,138,339)
Cash generated from operations		172,556,347	103,711,677
Payments related to provisions for employee benefits		(6,104,085)	(4,373,400)
Taxes paid		-	-
B Cash flows from investing activities		(234,232,655)	(160,000,349)
Cash inflows from the sale of tangible and intangible assets		3,226,519	6,938,403
- Cash flow from sale of tangible assets		3,226,519	6,938,403
Cash outflows from the purchase of tangible and intangible assets		(237,459,174)	(166,938,752)
- Cash outflow from purchase of tangible assets	8	(195,011,016)	(150,463,476)
- Cash outflow from purchase of intangible assets	9	(42,448,158)	(16,475,276)
C. Cash flows from financing activities		144,710,144	(5,738,684)
Proceeds from borrowings	24	480,280,137	373,013,133
Repayments of borrowings	24	(205,362,048)	(260,501,352)
Cash outflows related to payment of lease liabilities	24	(59,031,089)	(48,950,994)
Interest paid		(71,176,856)	(69,299,471)
D. Inflation impact on cash and cash equivalents		(130,468,248)	(11,331,008)
Net increase in cash and cash equivalents before currency translation differences (A+B+C+D)		(53,538,497)	(77,731,764)
E. Currency translation differences		2,795,048	6,972,541
F. Cash and cash equivalents at the beginning of the period	3	996,582,895	101,822,703
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)		945,839,446	31,063,480

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

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP

Ebebek Mağazacılık A.Ş. (“ebebek” or the “Company”) was established on 1 June 2000 by Halil Erdoğan, as En Ucuz Tekstil Gıda Ürünleri Pazarlama Sanayi ve Tic. Ltd. and registered as incorporated company on 5 August 2010. On 2 December 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 242 stores as of March 31, 2024 (December 31, 2023: 235 stores).

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

On 17 December 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 19 January 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 7 September 2023.

As of 31 March 2024, the number of employees of the Company is 4,176 (December 31, 2023: 3,961). As of 31 March 2024, the number of employees of the Group is 4,373 (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 4 October 2022 by POA and the format and mandatory information recommended by CMB.

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EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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 23 November 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 March 2023 and 31 December 2023, on the purchasing power basis as of 31 March 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 March 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year end	Index	Conversion factor	Three-year inflation rate
31 March 2024	2,139,47	1,00000	%211
31 December 2023	1,859.38	1,1506	%268
31 March 2023	1,269.75	1,6850	%152

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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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 March 2024, 32,2854 TRY, 32,3436 TRY and 31,970 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 34,8053 TRY, 34,8650 TRY and 33,5530 TRY, for British pounds 40,6665 TRY, 40,8786 TRY, 39,1562 TRY were used, (December 31, 2023: 29,4382 TRY, 29,4913 TRY ve 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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

	31 March 2024	31 December 2023
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

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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EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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 March 2024:*

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.
- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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

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

2.1 Basis of preparation (Continued)

- **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.
- **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.
- **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.

2.2 Summary of significant accounting policies

Condensed consolidated financial statements for the interim period ending on March 31, 2024 have been prepared in accordance with the TMS 34. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended March 31, 2024 are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2023. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

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NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash	12,876,689	12,225,586
Banks		
- Demand deposits	83,009,635	152,332,454
Credit card receivables (*)	849,953,122	832,024,855
Total cash and cash equivalents	945,839,446	996,582,895

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

As of 31 March 2024, there is no blockage on bank accounts (31 December 2023: None). As of 31 March 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 4 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

	31 March 2024	31 December 2023
Short-term trade receivables		
Trade receivables	72,078,481	40,962,320
Note receivables (*)	5,480,707	9,631,220
Less : Provisions for doubtful trade receivables	(925,946)	(925,946)
Total trade receivables	76,633,242	49,667,594

(*) 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 March 2024 (31 December 2023: None).

b) Trade payables

	31 March 2024	31 December 2023
Short-term trade payables:		
Trade payables to third parties	2,950,072,330	2,863,340,248
Trade payables to related parties (Note 26)	24,839,745	24,631,350
Less: Unearned credit finance expense (*)	(157,211,456)	(158,150,938)
Total trade payables	2,817,700,619	2.729.820.660

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 99 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 64% for 31 March 2024 and 62% for 31 December 2023.

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NOTE 5 - PREPAID EXPENSES

	31 March 2024	31 December 2023
Short-term prepaid expenses:		
Advances given for inventories	583,841,222	425,349,299
Job advances	15,965,977	8,733,932
Prepaid insurance expenses	9,990,909	2,287,656
Other	24,029,272	20,980,559
Total short-term prepaid expenses	633,827,380	457,351,446

	31 March 2024	31 December 2023
Long-term prepaid expenses:		
Advances given for property, plant and equipment	34,057,286	13,308,486
Total long-term prepaid expenses	34,057,286	13,308,486

NOTE 6 - OTHER CURRENT ASSETS

	31 March 2024	31 December 2023
Deferred VAT	311,119,957	304,686,512
Other	1,616,579	2,033,175
Total other current assets	312,736,536	306,719,687

NOTE 7 - INVENTORIES

	31 March 2024	31 December 2023
Trade goods	3,151,052,472	3,050,894,078
Raw materials and supplies	24,788,235	23,106,809
Work in progress	14,197,354	10,816,459
Finished goods	34,664,889	28,308,547
Other inventories	34,674,176	35,611,487
Less: Provisions for inventories	(6,376,815)	(6,374,196)
Total inventories	3,253,000,311	3,142,363,184

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

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

	2024	2023
1 January	6,374,196	15,577,195
Reversal of provision	(6,374,196)	(15,577,195)
Provisions for inventories	6,376,815	6,689,937
31 December	6,376,815	6,689,937

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Transfers	Disposals	31 March 2024
Cost					
Machinery and equipment	119,493,148	3,507,712	-	-	123,000,860
Furniture and fixtures	998,160,975	65,538,830	7,989,442	(1,233,671)	1,070,455,576
Vehicles	16,960,141	-	-	-	16,960,141
Leasehold improvements	1,084,155,480	44,284,565	33,063,433	(3,041,143)	1,158,462,335
Construction in progress	26,703,844	81,679,909	(41,052,875)	-	67,330,878
	2,245,473,588	195,011,016	-	(4,274,814)	2,436,209,790
Accumulated depreciation					
Machinery and equipment	(26,690,086)	(2,224,281)	-	-	(28,914,367)
Furniture and fixtures	(566,196,740)	(30,695,537)	-	1,129,574	(595,762,703)
Vehicles	(3,560,091)	(640,040)	-	-	(4,200,131)
Leasehold improvements	(610,555,088)	(34,769,793)	-	2,507,786	(642,817,095)
	(1,207,002,005)	(68,329,651)	-	3,637,360	(1,271,694,296)
Net book value	1,038,471,583				1,164,515,494
	1 January 2023	Additions	Transfers	Disposals	31 March 2023
Cost					
Buldings	10,884,116	-	-	-	10,884,116
Machinery and equipment	116,822,471	2,711,924	-	(956,934)	118,577,461
Furniture and fixtures	800,017,160	54,086,734	3,393,195	(2,067,857)	855,429,232
Vehicles	22,998,458	-	-	-	22,998,458
Leasehold improvements	850,755,004	54,058,172	18,726,345	(2,935,959)	920,603,562
Construction in progress	16,651,035	39,606,646	(22,119,540)	-	34,138,141
	1,818,128,244	150,463,476	-	(5,960,750)	1,962,630,970
Accumulated depreciation					
Buldings	(2,824,047)	(53,675)	-	-	(2,877,722)
Machinery and equipment	(20,381,125)	(1,032,913)	-	956,934	(20,457,104)
Furniture and fixtures	(460,882,970)	(25,637,293)	-	1,785,274	(484,734,989)
Vehicles	(1,923,157)	(1,412,990)	-	-	(3,336,147)
Leasehold improvements	(499,542,819)	(25,332,135)	-	1,745,030	(523,129,924)
	(985,554,118)	(53,469,006)	-	4,487,238	(1,034,535,886)
Net book value	832,574,126				928,095,084

As of 31 March 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 16.

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NOTE 9 - INTANGIBLE ASSETS

	1 January 2024	Additions	Disposals	31 March 2024
Cost				
Rights	3,442,897	-	-	3,442,897
Development costs (**)	26,037,994	12,566,607	-	38,604,601
Other intangible assets (*)	256,136,927	29,881,551	-	286,018,478
	285,617,818	42,448,158	-	328,065,976
Accumulated depreciation				
Rights	(1,487,962)	(61,571)	-	(1,549,533)
Development costs (**)	-	-	-	-
Other intangible assets (*)	(187,134,995)	(10,939,949)	-	(198,074,944)
	(188,622,957)	(11,001,520)	-	(199,624,477)
Net book value	96,994,861			128,441,499
	1 January 2023	Additions	Disposals	31 March 2023
Cost				
Rights	3,403,200	-	-	3,403,200
Other intangible assets (*)	191,931,493	16,475,276	-	208,406,769
	195,334,693	16,475,276		211,809,969
Birikmiş itfa payları (-)				
Rights	(1,242,063)	(59,834)	-	(1,301,897)
Other intangible assets (*)	(155,543,964)	(6,712,919)	-	(162,256,883)
	(156,786,027)	(6,772,753)	-	(163,558,780)
Net book value	38,548,666			48,251,189

(*) 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.

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

The distribution of amortization expenses is given in Note 16.

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NOTE 10 - RIGHT OF USE ASSETS

	Vehicles	Buildings	Total
Cost			
1 January 2024	65,774,256	1,440,681,090	1,506,455,346
Additions	171,538	84,664,687	84,836,225
Disposals	(44,479,919)	(315,571,142)	(360,051,061)
31 March 2024	21,465,875	1,209,774,635	1,231,240,510
Accumulated depreciation			
1 January 2024	47,122,750	679,584,991	726,707,741
Additions	4,391,762	32,442,034	36,833,796
Disposals	(44,479,919)	(315,571,142)	(360,051,061)
31 March 2024	7,034,593	396,455,883	403,490,476
Total	14,431,282	813,318,752	827,750,034
	Vehicles	Buildings	Total
Cost			
1 January 2023	31,410,605	1,100,153,668	1,131,564,273
Additions	7,247,057	161,733,866	168,980,923
Disposals	(154,731)	(1,622,061)	(1,776,792)
31 March 2023	38,502,931	1,260,265,473	1,298,768,404
Accumulated depreciation			
1 January 2023	26,603,224	504,146,112	530,749,336
Additions	3,073,972	30,175,184	33,249,156
Disposals	(33,668)	(47,707)	(81,375)
31 March 2023	29,643,528	534,273,589	563,917,117
Total	8,859,403	725,991,884	734,851,287

The distribution of depreciation expenses is given in Note 16.

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NOTE 11 - SHORT AND LONG TERM BORROWINGS

31 March 2024	Maturity range	Effective rate (%)	TRY
Short-term borrowings			
Short-term unsecured loans	01.04.2024 -07.03.2025	64,05	708,074,797
Credit card			32,869,718
Total			740,944,515

31 March 2024 TRY

Short-term portions of long-term borrowings

Lease liabilities	01.04.2024 – 31.03.2025	20.00 – 64.05	141,128,059
Total			141,128,059

31 March 2024 Maturity range Effective rate (%) TRY

Long-term borrowings

Lease liabilities	01.04.2025 – 28.02.2034	20.00 – 64.05	509,515,336
Total			509,515,336

31 December 2023 Maturity Effective rate (%) TRY

Short-term borrowings

Short-term unsecured loans	10.01.2024 - 23.12.2024	61.91	492,459,016
Credit card		-	35,607,063
Total			528.066.079

31 December 2023 TRY

Short-term portions of long-term borrowings

Lease liabilities	01.01.2025 - 30.11.2033	20.00 – 61.91	127,843,244
Total			127,843,244

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NOTE 11 - SHORT AND LONG TERM BORROWINGS (Continued)

31 December 2023	Maturity range	Effective rate (%)	TRY
Long-term borrowings			
Lease liabilities	01.01.2025 - 30.11.2033	20,00 - 61,91	484,163,626
Total			484,163,626

As of 31 March 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 loan.

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

NOTE 12 - COMMITMENTS

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

	31 March 2024	31 December 2023
A, Total amount of CPM given in the name of its own legal entity	118,341,331	182,605,870
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	-	-
	118,341,331	182,605,870
	<u>31 March 2024</u>	<u>31 December 2023</u>
	Original currency	Original currency
	TRY	TRY
	TL	TL
	98,272,456	157,896,530
	USD	USD
	14,139,048	11,046,591
	EUR	EUR
	5,929,827	13,662,749
	118,341,331	182,605,870

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NOTE 12 – COMMITMENTS(Continued)

Guarantee letters

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

	31 March 2024	31 December 2023
Guarantee letters	118,341,331	182,605,870
	118,341,331	182,605,870

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

	31 March 2024	31 December 2023
Guarantee letters	8,125,000	1.294.466
	8,125,000	1,294,466

NOTE 13 - FINANCIAL INVESTMENTS

As of 31 March 2024, the investments comprise securities evaluated in the Albaraka MTN Program 1st Tranche Sukuk, denominated in USD with a coupon payment every three months and a maturity date of 10 November 2024, identified by the security code XS2667526011, accounted for at amortized cost.

NOTE 14 - 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 March 2024 and 31 December 2023, the Company's shareholders and their shares in the capital are as follows:

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NOTE 14 - EQUITY (Continued)

	31 March 2024		31 December 2023	
	Share rate (%)	Share amount (TRY)	Share rate (%)	Share amount (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
Paid-in capital	100,00%	160,000,000	100,00%	160,000,000
Adjustment to share capital		209,425,222		209,425,222
Total		369,425,222		369,425,222

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 premium account after deducting public offering expenses, which exceeded the nominal capital increase amount.

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NOTE 15 - NET SALES AND COST OF SALES

	1 January - 31 March 2024	1 January - 31 March 2023
Goods and Services Sales		
- Store sales	2,783,954,281	2,548,809,408
- E-commerce sales	815,173,701	651,354,496
- Other sales (*)	185,348,410	121,330,423
Gross sales	3,784,476,392	3,321,494,327
Sales returns and discounts (-)	(227,926,478)	(154,943,951)
Net sales	3,556,549,914	3,166,550,376
Domestic sales	3,543,378,668	3,162,271,298
Sales abroad	13,171,246	4,279,078
Cost of sales	(2,499,592,991)	(2,438,942,777)
Gross profit	1,056,956,923	727,607,599

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 16 - EXPENSES BY NATURE

	1 January - 31 March 2024	1 January - 31 March 2023
Cost of trade goods sold	2,453,590,370	2,396,211,248
Personnel expenses	525,235,624	382,672,286
Depreciation and amortization expenses	116,164,967	93,490,915
Cargo expenses	88,942,290	42,242,303
Advertising and promotion expenses	73,952,981	57,340,228
Energy expenses	32,070,931	49,960,399
Transportation expenses	37,139,345	22,980,036
Storage expenses	17,468,276	15,494,092
Other	200,147,376	166,992,468
Total expenses by nature	3,544,712,160	3,227,383,975

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NOTE 16 - EXPENSES BY NATURE (Continued)

	1 January - 31 March 2024	1 January - 31 March 2023
Personnel expenses		
Marketing expenses	409,765,072	296,894,169
General administrative expenses	92,175,623	68,640,844
Cost of sales	23,294,929	17,137,273
Total	525,235,624	382,672,286

	1 January - 31 March 2024	1 January - 31 March 2023
Depreciation and amortization expenses		
Cost of sales	1,142,680	1,917,541
Marketing expenses	103,788,332	81,526,688
General administrative expenses	11,233,955	10,046,686
Total	116,164,967	93,490,915

NOTE 17 - OTHER OPERATING INCOME AND EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
Investment support income	453,485	1,515,333
Other	3,961,016	7,984,645
Other operating income	4,414,501	9,499,978

	1 January - 31 March 2024	1 January - 31 March 2023
Credit finance charges arising from purchases	(193,310,867)	(59,262,603)
Foreign exchange losses	(1,282,456)	(490,757)
Other	(8,838,898)	(6,580,641)
Other operating expenses	(203,432,221)	(66,334,001)

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NOTE 18 - INCOME FROM INVESTMENT ACTIVITIES

	1 January - 31 March 2024	1 January - 31 March 2023
Income from financial investment revaluation gains	15,284,401	-
Income from sales of fixed assets	2,589,065	5,464,891
Income from investment activities	17,873,466	5,464,891

NOTE 19 - FINANCIAL EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
Loan fund commission expenses	(68,886,170)	(30,079,083)
Lease liabilities financing expenses	(32,870,489)	(28,649,150)
Credit card commission expenses	-	(35,778,158)
Other	(9,383,120)	(9,059,445)
Financial expenses	(111,139,779)	(103,565,836)

NOTE 20 - TAX ASSETS AND LIABILITIES

	31 March 2024	31 December 2023
Corporate tax payable	102,871,514	101,966,022
Less: Prepaid taxes	(48,592,029)	(55,425,611)
Current period tax liabilities	54,279,485	46,540,411

	1 January - 31 March 2024	1 January - 31 March 2023
Current period income tax expense	(905,492)	(5,052,336)
Deferred tax (income)/expense	(90,411,426)	(72,593,378)
Tax expense	(91,316,918)	(77,645,714)

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

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.

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 2023 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.

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.

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

	Temporary differences		Deferred tax asset	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Inventories	410,684,502	164,929,653	(94,457,436)	(37,933,820)
Property, plant and equipment and intangible assets	515,565,288	412,703,563	(118,580,016)	(94,921,819)
Trade payables and ve Inventory markdown	86,069,607	32,012,043	(19,796,010)	(7,362,769)
Employee benefits	(49,130,195)	(41,768,793)	11,299,945	8,353,758
Warranty provisions	(26,447,564)	(24,999,689)	6,082,940	4,999,938
Right of use assets and lease liabilities	176,434,160	167,740,735	(40,579,857)	(34,312,323)
Other	2,770,975	23,266,785	(637,324)	(5,351,362)
Deferred tax liabilities, net			(256,667,758)	(166,528,397)

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

	2024	2023
1 January	(166,528,397)	(83,597,897)
Tax expense recognized in the profit or loss statement	(90,411,426)	(72,593,378)
Tax income on other comprehensive income items	272,065	259,653
31 March	(256,667,758)	(155,931,622)

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NOTE 21 - 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 March 2024 and 31 December 2023, balances due to and due to related parties and a summary of transactions with related parties during the 1 January 2024-31 March 2024 and 1 January 2023-31 March 2023 periods are presented below:

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

a) Trade and other receivables from related parties

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

b) Trade payables to related parties

	31 March 2024	31 December 2023
Hedef Tüketim Ürün, San, Dış Tic, A,Ş,	11,106,961	9,554,657
Turkuvaz Plastik ve Tem, Ürün, San, Tic, A,Ş,	10,342,244	10,944,949
Seranit Granit Seramik San, Ve Tic, A,Ş,	2,380,278	3,295,878
Avansas Ofis Malzemeleri Ticaret A,Ş,	1,010,262	835,866
Total	24,839,745	24,631,350

ii) Sales to and purchases from related parties for the accounting period 1 January - 31 March 2024 and 1 January-31 March 2023:

a) Purchases from related parties

	Trade goods	Other	1 January – 31 March 2024
Anadolu Ulaşım A,Ş	-	3,517,627	3,517,627
Avansas Ofis Malzemeleri Ticaret A,Ş,	-	1,430,758	1,430,758
Hedef Tüketim Ürün, San, Dış Tic, A,Ş,	10,151,492	-	10,151,492
Turkuvaz Plastik ve Tem, Ürün, San, Tic, A,Ş,	17,292,249	-	17,292,249
Bim Birlesik Magazalar A,S,	-	259,870	259,870
Seranit Granit Seramik San, Ve Tic, A,Ş,	-	3,945,935	3,945,935
İdeal Standart İşl, ve Müm, San, ve Tic, A,Ş,	371,761	-	371,761
Total	27,815,502	9,154,190	36,969,692

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NOTE 21 - RELATED PARTY DISCLOSURES (Continued)

	Trade goods	Other	1 Januaryl – 31 March 2023
Anadolu Ulaşım A,Ş	-	2,022,801	2,022,801
Avansas Ofis Malzemeleri Ticaret A,Ş,	-	1,138,223	1,138,223
Hedef Tüketim Ürün, San, Dış Tic, A,Ş,	19,950,247	-	19,950,247
Turkuvaz Plastik ve Tem,Ürün,San,Tic,A,Ş,	31,181,994	-	31,181,994
Bim Birlesik Magazalar A,S,	15,196	259,186	274,382
Seranit Granit Seramik San, Ve Tic, A,Ş,	-	7,674,760	7,674,760
Evidea Mağazacılık A,Ş,	17,123	2,454,995	2,472,117
Total	51,164,560	13,549,964	64,714,523

b) Sales to related parties

	Product sales	Other sales	1 January - 31 March 2024
Avansas Ofis Malzemeleri Ticaret A,Ş,	-	13,463	13,463
Hedef Tüketim Ürün, San, Dış Tic, A,Ş,	2,886,600	8,089	2,894,689
Bim Birlesik Magazalar A,S,	1,193	-	1,193
Anadolu Ulaşım A,Ş,	1,654	-	1,654
Evidea Mağazacılık A,Ş,	20,391	1,274,270	1,294,661
Aktül Kağıt Üretim Paz, A,Ş,	40,965	-	40,965
Total	2,950,803	1,295,822	4,246,625

	Product sales	Other sales	1 January - 31 March 2023
Avansas Ofis Malzemeleri Ticaret A,Ş,	-	21,130	21,130
Hedef Tüketim Ürün, San, Dış Tic, A,Ş,	6,119,897	-	6,119,897
Bim Birlesik Magazalar A,S,	1,302	-	1,302
Anadolu Ulaşım A,Ş,	36,164	-	36,164
Evidea Mağazacılık A,Ş,	1,398	3,078,155	3,079,553
Aktül Kağıt Üretim Paz, A,Ş,	2,792	-	2,792
Toplam	6,161,553	3,099,285	9,260,838

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NOTE 21 - RELATED PARTY DISCLOSURES (Continued)

iii) Other transactions with related parties for the accounting period 1 January -31 March 2024 and 1 January - 31 March 2023 :

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

	1 January - 31 March 2024	1 January - 31 March 2024
Short-term benefits to management (*)	27,154,245	22,009,661

(*) 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 March 2024 and 31 March 2023 are short-term benefits.

NOTE 22 - EARNINGS PER SHARE

	1 January - 31 March 2024	1 January - 31 March 2023
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	52,157,646	200,336,225
Earnings per share	0.33	1.25

NOTE 23 - 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 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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

31 March 2024	TRY Equivalent	USD	EUR	GBP
1, Trade receivables	-	-	-	-
2a, Monetary financial assets	132.189.975	4.084.072	8.967	542
2b, Non-monetary financial assets	-	-	-	-
3, Other	-	-	-	-
4, Current assets (1+2+3)	132.189.975	4.084.072	8.967	542
5, Trade receivables	-	-	-	-
6a, Monetary financial assets	-	-	-	-
6b, Non-monetary financial assets	-	-	-	-
7, Other	-	-	-	-
8, Non current assets (5+6+7)	-	-	-	-
9, Total assets (4+8)	132.189.975	4.084.072	8.967	542
10, Trade payables	8.374.613	227.669	13.348	13.348
11, Financial liabilities	-	-	-	-
12a, Other monetary obligations	-	-	-	-
12b, Other non-monetary obligations	-	-	-	-
13, Short-term liabilities (10+11+12)	8.374.613	227.669	13.348	13.348
14, Trade payables	-	-	-	-
15, Financial liabilities	-	-	-	-
16a, Other monetary obligations	-	-	-	-
16b, Other non-monetary obligations	-	-	-	-
17, Long-term liabilities (14+15+16)	-	-	-	-
18, Total liabilities (13+17)	8.374.613	227.669	13.348	13.348
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	-	-	-	-
19b, Amount of derivative products denominated in off-balance sheet foreign currency with a passive character	-	-	-	-
20, Net foreign currency asset/ (liability) position (9-18+19)	123.815.362	3.856.403	(4.381)	(12.806)
21, Monetary items net foreign currency asset/ (liability) position (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	123.815.362	3.856.403	(4.381)	(12.806)
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 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2023	TRY Equivalent (Indexed)	TRY Equivalent (Not indexed)	USD	EUR	GBP
1, Trade receivables	-	-	-	-	-
2a, Monetary financial assets	139.557.387	121.287.148	4.113.068	5.983	292
2b, Non-monetary financial assets	-	-	-	-	-
3, Other	-	-	-	-	-
4, Current assets (1+2+3)	139.557.387	121.287.148	4.113.068	5.983	292
5, Trade receivables	-	-	-	-	-
6a, Monetary financial assets	-	-	-	-	-
6b, Non-monetary financial assets	-	-	-	-	-
7, Other	-	-	-	-	-
8, Non current assets (5+6+7)	-	-	-	-	-
9, Total assets (4+8)	139.557.387	121.287.148	4.113.068	5.983	292
10, Trade payables	23.629.836	20.536.322	455.337	187.024	26.696
11, Financial liabilities	-	-	-	-	-
12a, Other monetary obligations	-	-	-	-	-
12b, Other non-monetary obligations	-	-	-	-	-
13, Short-term liabilities (10+11+12)	23.629.836	20.536.322	455.337	187.024	26.696
14, Trade payables	-	-	-	-	-
15, Financial liabilities	-	-	-	-	-
16a, Other monetary obligations	-	-	-	-	-
16b, Other non-monetary obligations	-	-	-	-	-
17, Long-term liabilities (14+15+16)	-	-	-	-	-
18, Total liabilities (13+17)	23.629.836	20.536.322	455.337	187.024	26.696
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	-	-	-	-	-
19b, Amount of derivative products denominated in off-balance sheet foreign currency with a passive character	-	-	-	-	-
20, Net foreign currency asset/ (liability) position (9-18+19)	115.927.551	100.750.826	3.657.731	(181.041)	(26.404)
21, Monetary items net foreign currency asset/ (liability) position (1+2a+3+5+6a+7-10-11-12a-14-15-16a)	115.927.551	100.750.826	3.657.731	(181.041)	(26.404)
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 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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

	<u>Profit/loss</u>	<u>Profit/loss</u>
	<u>Foreign currency appreciation</u>	<u>Foreign currency depreciaton</u>
31 March 2024		
Increase/decrease in the USD against TRY by 10%		
1- USD net asset/(liability)	12,449,227	(12,449,227)
2- USD hedged from risks (-)	-	-
3- USD net effect (1+2)	12,449,227	(12,449,227)
Increase/decrease in the EUR against TRY by 10%		
4- EUR net asset/(liability)	(15,328)	15,328
5- EUR hedged from risks (-)	-	-
6- EUR net effect (4+5)	(15,328)	15,328
Increase/decrease in the GDP against TRY by 10%		
4- GBP net asset/(liability)	(52,363)	52,363
5- GBP hedged from risks (-)	-	-
6- GBP net effect (4+5)	(52,363)	52,363
Total net effect	12,381,536	(12,381,536)
	<u>Profit/loss</u>	<u>Profit/loss</u>
	<u>Foreign currency appreciation</u>	<u>Foreign currency depreciaton</u>
31 December 2023		
Increase/decrease in the USD against TRY by 10%		
1- USD net asset/(liability)	12,386,926	(12,386,926)
2- , USD hedged from risks (-)	-	-
3- USD net effect (1+2)	12,386,926	(12,386,926)
Increase/decrease in the EUR against TRY by 10%		
4- EUR net asset/(liability)	(679,818)	679,818
5- EUR hedged from risks (-)	-	-
6- EUR net effect (4+5)	(679,818)	679,818
Increase/decrease in the GDP against TRY by 10%		
4- GBP net asset/(liability)	(114,353)	114,353
5- GBP hedged from risks (-)	-	-
6- GBP net effect (4+5)	(114,353)	114,353
Total net effect	11,592,755	(11,592,755)

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**NOTE 23 - 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 March 2024 and 31 December 2023, the Group's financial liabilities consist of fixed rate participation bank loans and lease liabilities.

	31 March 2024	31 December 2023
Fixed rate financial instruments		
Time deposits	-	-
Borrowings	1,391,587,910	1,140,072,949
Variable rate financial instruments		
Time deposits	-	-
Financial investments	133,868,429	139,265,188
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 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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

31 March 2024	Trade receivables from related parties	Trade receivables from third parties	Other receivables from third parties	Deposits in Bank
Net book value of financial assets that are not overdue or impaired varlıkların net defteri değeri	-	76,633,242	2,847,485	932,962,757
Secured portion	-	-	-	-
Net book value of overdue but not impaired assets	-	-	-	-
Secured portion	-	-	-	-
Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	-	925,946	1,363,970	-
- Impairment (-)	-	(925,946)	(1,363,970)	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
Elements involving off-balance sheet credit risk	-	-	-	-
Maximum exposure to credit risk	-	76,633,242	2,847,485	932,962,757

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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2023	Trade receivables from related parties	Trade receivables from third parties	Other receivables from third parties	Deposits in Bank
Net book value of financial assets that are not overdue or impaired	-	49,667,594	3,576,339	984,357,309
Secured portion	-	-	-	-
Net book value of overdue but not impaired assets	-	-	-	-
Secured portion	-	-	-	-
Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	-	925,946	1,363,970	-
- Impairment (-)	-	(925,946)	(1,363,970)	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
Elements involving off-balance sheet credit risk	-	-	-	-
Maximum exposure to credit risk	-	49,667,594	3,576,339	984,357,309

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**NOTE 23 - 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.

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.

	31 March 2024	31 December 2023
Financial liabilities	1,391,587,910	1,140,072,949
Less: Cash and cash equivalents (Note 3)	(945,839,446)	(996,582,895)
Net financial debt	445,748,464	143,490,054
Total equity	2,968,776,523	2,913,823,575
Net financial debt/equity	0.15	0.05

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:

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**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

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. Since the maturities of short-term loans are short, it is assumed that their carrying values approximate to their fair values.

NOTE 24 - SUPPLEMENTARY CASH FLOW INFORMATION

	Borrowings	Lease liability	Total
1 January 2024	528,066,079	612,006,870	1,140,072,949
Cash inflows during the period	480,280,137	-	480,280,137
Lease additions	-	84,836,225	84,836,225
Lease terminations	-	-	-
Cash outflows during the period	(205,362,048)	(59,031,089)	(264,393,137)
Other	7,092,434	32,870,489	39,962,923
Monetary gain/(loss)	(69,132,087)	(20,039,100)	(89,171,187)
31 March 2024	740,944,515	650,643,395	1,391,587,910
	Borrowings	Lease liability	Total
1 January 2023	598,412,299	463,205,089	1,061,617,388
Cash inflows during the period	373,013,133	-	373,013,133
Lease additions	-	168,980,923	168,980,923
Lease terminations	-	(1,695,417)	(1,695,417)
Cash outflows during the period	(260,501,352)	(48,950,994)	(309,452,346)
Other	5,617,215	28,649,150	34,266,365
Monetary gain/(loss)	(66,592,367)	(7,777,731)	(74,370,098)
31 March 2023	649,948,928	602,411,020	1,252,359,948

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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

NOTE 25 - EVENTS AFTER THE BALANCE SHEET DATE

None.

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.

	1 January - 31 March 2024	1 January - 31 March 2023
Revenue	3,556,549,914	3,166,550,376
Cost of sales (-)	(2,499,592,991)	(2,438,942,777)
Gross profit	1,056,956,923	727,607,599
General and administrative expenses (-)	(139,679,069)	(112,251,603)
Marketing expenses (-)	(905,440,100)	(676,189,595)
Addition: Depreciation and amortization	116,164,967	93,490,915
EBITDA	128,002,721	32,657,316
%	3.60	1.03

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