

**EBEBEK MAĐAZACILIK A.Ő.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2023  
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 2023, 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 2023, 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="261 499 870 569"><b>Application of IAS 29-Financial Reporting in Hyperinflationary Economies</b></p> <p data-bbox="261 615 870 753">The Group has applied TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in its consolidated financial statements as at and for the year ending 31 December 2023.</p> <p data-bbox="261 800 870 1272">TAS 29 requires financial statements to be restated at the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect the changes in the price index as of the balance sheet date, 31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional associated audit effort, the application of TAS 29 has been identified as a key audit matter for our audit.</p> <p data-bbox="261 1318 870 1388">Disclosures regarding the application of TAS 29 are provided in Note 2.2.</p>	<p data-bbox="883 615 1490 684">We performed the following auditing procedures in relation to the application of TAS 29:</p> <p data-bbox="883 730 1490 831">Understanding and evaluating the process and controls related to the implementation of TAS 29 designed and implemented by management,</p> <p data-bbox="883 877 1490 978">Verifying whether the determination of monetary and non-monetary items made by the management is in compliance with TAS 29,</p> <p data-bbox="883 1024 1490 1125">Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis,</p> <p data-bbox="883 1171 1490 1272">Evaluating the calculation methods used by management and verifying whether they are consistently used consistently in all periods,</p> <p data-bbox="883 1318 1490 1457">Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute,</p> <p data-bbox="883 1503 1490 1604">Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects,</p> <p data-bbox="883 1650 1490 1789">Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.</p>



Key Audit Matters	How the key audit matter was addressed in the audit
<p data-bbox="261 506 548 533"><b>Revenue recognition</b></p> <p data-bbox="261 548 854 646">The Group operates in the mother and baby sector and had physical stores and e-commerce as of 31 December 2023.</p> <p data-bbox="261 699 878 877">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="261 930 878 1224">The audit of revenue is a key audit matter since revenue amounting to respectively TRY 11,359,056,626 million for the years ended at 31 December 2023 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="883 548 1455 575">The audit procedures included substantive tests.</p> <p data-bbox="883 627 1487 726">We developed an understanding of invoicing, order taking, refund and payment of revenue stream processes.</p> <p data-bbox="883 779 1466 842">We tested the recognition of daily transfers to the cash boxes on a sample basis.</p> <p data-bbox="883 894 1482 993">Regarding the correctness of customer invoices created, transactions realized through the systems were matched with the collections from customers.</p> <p data-bbox="883 1045 1503 1224">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="883 1276 1503 1417">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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 2023 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.

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

A handwritten signature in blue ink, appearing to read "Gökhan Yüksel", written over a light blue horizontal line.

Gökhan Yüksel, SMMM  
Independent Auditor

Istanbul, 19 March 2024

**(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 2023**

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<b>CONTENTS</b>	<b>PAGE</b>
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION.....</b>	<b>1 - 2</b>
<b>CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME.....</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>6 - 55</b>



(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 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	Current period 31 December 2023	Prior period 31 December 2022
<b>ASSETS</b>			
<b>Current assets</b>		<b>4,428,442,442</b>	<b>2,997,300,999</b>
Cash and cash equivalents	4	866,114,647	88,492,522
Financial investments	17	121,033,202	-
Trade receivables			
- Trade receivables from related parties	5	43,165,331	58,666,753
Other receivables			
- Other receivables from third parties	8	3,108,140	8,134,136
Inventories	10	2,730,978,820	2,461,998,959
Prepaid expenses	6	397,477,007	140,839,793
Other current assets	7	266,565,295	239,168,836
<b>Non-current assets</b>		<b>1,832,074,034</b>	<b>1,437,612,709</b>
Other receivables			
- Other receivables from third parties	8	829,282	1,020,703
Property, plant and equipment	11	902,519,452	723,577,184
Intangible assets			
- Other intangible assets	12	84,296,720	33,502,044
- Goodwill	3	155,195,903	155,195,903
Right-of-use-assets	13	677,666,479	522,158,889
Prepaid expenses	6	11,566,198	2,157,986
<b>Total assets</b>		<b>6,260,516,476</b>	<b>4,434,913,708</b>

These consolidated financial statements were signed by Board of Directors to be issued on 19 March 2024. 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 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	Current period 31 December 2023	Prior period 31 December 2022
<b>LIABILITIES</b>			
<b>Short term liabilities</b>		<b>3,094,857,984</b>	<b>2,891,832,841</b>
Short-term borrowings	14	458,933,992	520,070,794
Lease liabilities	14	111,106,569	67,850,964
Trade payables			
- Trade payables to related parties	5, 26	21,406,722	68,903,408
- Trade payables to third parties	5	2,351,037,834	2,151,514,890
Employee benefit obligations	18	55,011,451	34,183,279
Current income tax liabilities	25	40,447,545	6,507
Short-term provisions			
- Provisions for employee benefits		3,306,156	6,622,137
Deferred income	9	32,599,673	31,148,561
Other short term liabilities	15	21,008,042	11,532,301
<b>Long term liabilities</b>		<b>633,299,887</b>	<b>536,811,979</b>
Lease liabilities	14	420,779,054	334,713,353
Long-term provisions			
- Provisions for employee benefits	18	36,300,606	95,845,254
- Other long term provision		18,420,684	17,330,011
Deferred income	9	4,272,311	6,200,277
Deferred tax liability	25	144,727,232	72,653,628
Other long term liabilities	15	8,800,000	10,069,456
<b>Equity</b>			
<b>Equity holders of the parent</b>		<b>2,531,105,858</b>	<b>1,005,311,380</b>
Paid-in capital	19	160,000,000	17,500,000
Adjustment to share capital	19	161,061,697	105,926,001
Share premium	19	1,142,360,102	-
Restricted reserves	19	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		(15,939,341)	(62,979,238)
Other comprehensive income or expenses to be reclassified to profit or loss			
- Currency translation differences		7,835,398	(946,671)
Retained earnings		769,182,115	674,824,389
Net income for the period		302,099,366	269,414,692
Non-controlling interests		1,252,747	957,508
<b>Total Equity</b>		<b>2,532,358,605</b>	<b>1.006.268.888</b>
<b>Total liabilities and equity</b>		<b>6,260,516,476</b>	<b>4,434,913,708</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 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	1 January - 31 December 2023	1 January - 31 December 2022
Net sales	20	11,359,056,626	8,701,964,875
Cost of sales (-)	20,21	(8,159,265,254)	(6,596,790,518)
<b>Gross profit</b>		<b>3,199,791,372</b>	<b>2,105,174,357</b>
Marketing expenses (-)	21	(2,491,690,482)	(1,838,238,530)
General administrative expenses (-)	21	(402,185,025)	(299,488,790)
Other income from operating activities	22	28,804,451	17,874,548
Other expenses from operating activities (-)	22	(750,890,380)	(370,464,798)
<b>Operating profit</b>		<b>(416,170,064)</b>	<b>(385,143,213)</b>
Income from investment activities	23	70,770,344	11,258,649
<b>Operating loss before financial expense</b>		<b>(345,399,720)</b>	<b>(373,884,564)</b>
Financial income	24	2,855,364	-
Financial expenses	24	(365,933,528)	(319,455,288)
Net monetary position gain/(loss)		1,162,155,192	970,279,293
<b>Profit from continuing operations before tax</b>		<b>453,677,308</b>	<b>276,939,441</b>
Current tax expense for the period (-)	25	(88,617,079)	(57,347,353)
- Deferred tax income/(expense)	25	(62,665,624)	44,898,362
<b>Net profit from continuing operations</b>		<b>302,394,605</b>	<b>264,490,450</b>
<b>Profit / (Loss) Distribution</b>			
- Non-controlling interests		295,239	(4,924,242)
- Equity holders of the parent		302,099,366	269,414,692
<b>Earnings per share</b>	<b>27</b>	<b>1.89</b>	<b>1.68</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Not to be reclassified to profit or loss</b>			
Gain/ loss arising from defined benefit plans		56,447,877	(75,575,085)
Total taxes on other comprehensive expense that will not be reclassified to profit or loss		(9,407,980)	12,595,847
<b>To be reclassified to profit or loss</b>			
Currency translation differences		8,782,069	(946,671)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>55,821,966</b>	<b>(63,925,909)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>358,216,571</b>	<b>200,564,541</b>
<b>Distribution of total comprehensive income</b>			
- Non-controlling interests		295,239	(4,924,242)
- Equity holders of the parent		357,921,332	205,488,783

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 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 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
<b>Balances as of January 1, 2022</b>	<b>17,500,000</b>	<b>105,926,001</b>	-	<b>1,572,207</b>	-	-	<b>674,824,389</b>	-	<b>799,822,597</b>	-	<b>799,822,597</b>
Total comprehensive income	-	-	-	-	(62,979,238)	(946,671)	-	269,414,692	205,488,783	(4,924,242)	200,564,541
Subsidiary acquisition	-	-	-	-	-	-	-	-	-	5,881,750	5,881,750
<b>Balances as of 31 December 2022</b>	<b>17,500,000</b>	<b>105,926,001</b>	-	<b>1,572,207</b>	<b>(62,979,238)</b>	<b>(946,671)</b>	<b>674,824,389</b>	<b>269,414,692</b>	<b>1,005,311,380</b>	<b>957,508</b>	<b>1,006,268,888</b>
<b>Balances as of January 1, 2023</b>	<b>17,500,000</b>	<b>105,926,001</b>	-	<b>1,572,207</b>	<b>(62,979,238)</b>	<b>(946,671)</b>	<b>674,824,389</b>	<b>269,414,692</b>	<b>1,005,311,380</b>	<b>957,508</b>	<b>1,006,268,888</b>
Capital increase	142,500,000	55,135,696	-	-	-	-	(172,122,652)	-	25,513,044	-	25,513,044
Transfers	-	-	-	2,934,314	-	-	266,480,378	(269,414,692)	-	-	-
Share premium	-	-	1,142,360,102	-	-	-	-	-	1,142,360,102	-	1,142,360,102
Total comprehensive income	-	-	-	-	47,039,897	8,782,069	-	302,099,366	357,921,332	295,239	358,216,571
<b>Balances as of 31 December 2023</b>	<b>160,000,000</b>	<b>161,061,697</b>	<b>1,142,360,102</b>	<b>4,506,521</b>	<b>(15,939,341)</b>	<b>7,835,398</b>	<b>769,182,115</b>	<b>302,099,366</b>	<b>2,531,105,858</b>	<b>1,252,747</b>	<b>2,532,358,605</b>

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)  
EBEBEK MAĞAZACILIK A.Ş.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

	Notes	Current period 31 December 2023	Prior period 31 December 2022
<b>A, Cash flows from operating activities</b>		<b>531,723,504</b>	<b>475,495,504</b>
Net income for the period		302,394,605	264,490,450
<b>Adjustments to reconcile net profit</b>		<b>(137,847,522)</b>	<b>(145,016,767)</b>
Depreciation and amortization expenses	11,12,13	414,689,445	330,024,083
Corrections regarding provisions		7,400,886	24,547,310
- <i>Adjustments regarding provisions for employee benefits</i>		9,626,194	18,507,207
- <i>Corrections regarding warranty provisions</i>		(2,225,308)	6,040,103
Adjustments for stock impairment	10	(7,998,183)	6,786,572
Adjustments regarding financing (income)/expenses		363,078,164	319,455,288
- <i>Corrections regarding financial income</i>	24	(2,855,364)	-
- <i>Corrections regarding financial expenses</i>	24	365,933,528	319,455,288
Adjustments resulting from the sale of tangible assets,	23	(35,204,733)	(11,258,649)
Adjustments for other items that give rise to cash flows from investing or financing activities		(35,565,611)	-
Adjustments related to tax expense	25	151,282,703	12,448,991
Monetary gain/(loss)		(995,530,193)	(827,020,362)
<b>Changes in net working capital</b>		<b>430,773,957</b>	<b>425,281,198</b>
Adjustments for (increase)/decrease in trade receivables		(7,560,722)	(39,834,392)
Adjustments for (increase)/decrease in inventories		(260,981,678)	(790,834,653)
Adjustments for (increase)/decrease in prepaid expenses		(266,045,426)	13,176,275
Adjustments for (increase)/decrease in trade payables		1,024,881,912	1,379,567,947
Adjustments for (increase)/decrease in other receivables		5,217,417	3,397,308
Adjustments for Increase (decrease) in employee benefit liabilities		34,265,761	20,212,313
Other adjustments related to decrease (increase) in net working capital		(99,003,307)	(160,403,600)
<b>Cash generated from operations</b>		<b>595,321,040</b>	<b>544,754,881</b>
Payments related to provisions for employee benefits	18	(15,424,053)	(9,412,404)
Taxes paid		(48,173,483)	(59,846,973)
<b>B, Cash flows from investing activities</b>		<b>(520,344,438)</b>	<b>(289,165,790)</b>
Cash inflows from the sale of tangible and intangible assets			
- <i>Cash flow from sale of tangible assets</i>		57,207,563	25,847,763
- <i>Cash flow from sale of intangible assets</i>		57,207,563	25,847,763
Cash outflows from the purchase of tangible and intangible assets		(492,084,410)	(315,013,553)
- <i>Cash outflow from purchase of tangible assets</i>	11	(413,526,141)	(294,352,073)
- <i>Cash outflow from purchase of intangible assets</i>	12	(78,558,269)	(20,661,480)
Cash outflows for the acquisition of shares or debt instruments of other businesses or funds		(85,467,591)	-
<b>C. Cash flows from financing activities</b>		<b>792,247,768</b>	<b>(136,538,576)</b>
Proceeds from borrowings	29	1,309,130,341	914,555,869
Repayments of borrowings	29	(1,170,280,377)	(661,542,057)
Cash outflows related to payment of lease liabilities	29	1,062,935,896	-
Cash outflows related to debt payments arising from lease agreements	29	(155,248,683)	(152,315,017)
Interest paid		(254,289,409)	(237,237,371)
<b>D, Inflation impact on cash and cash equivalents</b>		<b>(34,786,778)</b>	<b>(25,481,645)</b>
<b>Net increase in cash and cash equivalents before currency translation differences (A+B+C)</b>		<b>768,840,056</b>	<b>24,309,493</b>
<b>E, Currency translation differences</b>		<b>8,782,069</b>	<b>(946,671)</b>
<b>F, Cash and cash equivalents at the beginning of the period</b>	<b>4</b>	<b>88,492,522</b>	<b>65,129,700</b>
<b>Cash and cash equivalents at the end of the period (A+B+C+D+E)</b>		<b>866,114,647</b>	<b>88,492,522</b>

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

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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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 235 stores as of December 31, 2023 (December 31, 2022: 200 stores).

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, 2022 ; 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 for a cash payment of 13,000,000 TRY and a contingent liability of (Notes 3) 8,800,000 TRY (December 31, 2022 : 10,069,456). which the management evaluated the probability of realization based on the best estimation. 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 2023, the number of employees of the Company is 3,961 (December 31, 2022: 3,545).

As of 31 December 2023, the number of employees of the Group is 4,151 (December 31, 2022: 3,663).

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**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.

**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 2022, on the purchasing power basis as of 31 December 2023. 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 2023, 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 2023	1,859.38	1.00000	268%
31 December 2022	1,128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

**2.1 Basis of preparation**

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.
- 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 December 2023, 29,4382 TRY, 29,4913 TRY and 23,7482 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 32,5739 TRY, 32,6326 TRY and 25,6852 TRY, for British pounds 37,4417 TRY, 37,6369 TRY, 29,5278 TRY were used, (December 31, 2022: 18,6983 TRY, 18,7320 TRY ve 16,5512 TRY for the USD exchange rate, 19,9349 TRY, 17,3642 TRY, 17,3931 TRY for the Euro exchange rate, 22,4892 TRY, 22,6065 TRY, 20,3171TRY for the British pound).



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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

**2.1 Basis of preparation (Continued)**

**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.

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 2023 and 31 December 2022, the effective shareholding ratios of ebebek in Subsidiaries included in the scope of consolidation are shown below:

	<b>31 December 2023</b>	<b>31 December 2022</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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

**2.1 Basis of preparation (Continued)**

**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.

**a) Standards, amendments, and interpretations applicable as of 31 December 2023:**

- **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.

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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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 2023:*

- **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.
- **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

Significant accounting policies used in the preparation of the financial statements are summarized below. Consistent with prior years, unless otherwise required by the significant accounting policies applied in the preparation of the financial statements.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**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.
  - 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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

*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 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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**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

**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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

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

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.

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

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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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**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.

**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.



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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**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.

**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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**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.

**Dividend**

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

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

**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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

**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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

---

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

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

**2.3 Significant accounting assumptions and estimates**

*Deferred tax assets and liabilities*

Many related transactions and calculations, whose effects on the final tax amount are not certain, take place during the normal course of business, and such situations require the use of significant judgment when determining the income tax provision. The Group records the tax liabilities arising from the taxes that are expected to be paid as a result of tax events. In cases where the final tax results related to these matters differ from the amounts initially recorded, these differences may affect the income tax provision and deferred tax balances in the periods in which they are determined.

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the values of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation according to the balance sheet method, taking into account the tax rates enacted as of the balance sheet date.

*Provision for inventory impairment*

While determining the provision for inventories, the net realizable values of the inventories are determined by the Group management in line with the opinions of the sales and technical personnel, and a provision is made for the items that are not expected to be sold in the following period or that are expected to be sold at a price lower than the value of the carried stock, In determining the net realizable value of inventories, data on list sales prices and average discount rates applied during the year are used, and estimates are made regarding the sales expenses to be incurred.

*Provision for employee termination benefits*

The Group makes lump-sum payments to its personnel who are dismissed due to certain conditions in accordance with the applicable social security laws. When calculating and recording the liabilities related to this defined benefit plan, the Group determines the discount rate to be used, the number of personnel leaving and future salary increases/limits etc, make such assumptions.

*Useful lives of tangible and intangible assets*

The determination of useful economic lives, which are mainly related to leasehold improvements, includes significant estimates made by Group management.

*Warranty provisions*

The Group allocates warranty provision for the maintenance, repair, spare parts costs of the products that it carries the warranty obligation due to its importation, and for the compensation of the products that cannot be repaired within three years after the sale.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL**

**Batı ege acquisition**

The Company acquired Batı ege Kozmetik İthalat İhracat Ltd. Şti. ("Batı ege"), a retail company operating under the brand "Hello Baby," in 2015. On June 30, 2015, all assets and liabilities of Batı ege were officially included in the Company, and the merger process was completed. Following the merger, the legal entity of Batı ege 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	161,298,926
Less: Total identifiable net assets	(33,651,747)
<b>Goodwill</b>	<b>127,647,179</b>

**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. As of 31 December 2023, the following assumptions were used in calculating the recoverable amounts: 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.

**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 (31 December 2022 : 10,069,456) 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. The fair value calculations employs a 20% discount rate. As of December 31, 2023, the required performances had not been completed, and the probability of realization over the twelve months was only partially assessed, The management recorded the deferred payment in the amount of 6,111,111 under long-term liabilities.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

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	16,240,647

**Goodwill** **27,548,724**

**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, As of 31 December 2023, the following assumptions were used in calculating the recoverable amounts: 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.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash	12,877,356	8,451,729
Banks		
- Demand deposits	130,137,469	46,836,684
Credit card receivables (*)	723,099,822	33,204,109
<b>Total cash and cash equivalents</b>	<b>866,114,647</b>	<b>88,492,522</b>

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

As of 31 December 2023, there is no blockage on bank accounts (31 December 2022: None), As of 31 December 2023, there are no time deposits, (31 December 2022: 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.



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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 5 - TRADE RECEIVABLES AND PAYABLES**

<b>a) Trade receivables</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Short-term trade receivables</b>		
Trade receivables	35,599,713	42,097,242
Note receivables (*)	8,370,343	17,374,236
Less : Provisions for doubtful trade receivables	(804,725)	(804,725)
<b>Total trade receivables</b>	<b>43,165,331</b>	<b>58,666,753</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 2023 (31 December 2022: None),

<b>b) Trade payables</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Short-term trade payables:</b>		
Trade payables to third parties	2,488,484,347	2,199,095,710
Trade payables to related parties (Note 26)	21,406,722	68,903,408
Less: Unearned credit finance expense (*)	(137,446,513)	(47,580,820)
<b>Total trade payables</b>	<b>2,372,444,556</b>	<b>2,220,418,298</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 101 days (31 December 2022 – 98 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 62% for 31 December 2023 and 20% for 31 December 2022.

**NOTE 6 - PREPAID EXPENSES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Short-term prepaid expenses:</b>		
Advances given inventories	369,664,440	124,899,370
Job advances	7,590,524	5,819,358
Prepaid insurance expenses	1,988,166	485,721
Other	18,233,877	9,635,344
<b>Total short-term prepaid expenses</b>	<b>397,477,007</b>	<b>140,839,793</b>

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 6 - PREPAID EXPENSES (Continued)

	31 December 2023	31 December 2022
<b>Long-term prepaid expenses:</b>		
Advances given for purchase property, plant and equipment	11,566,198	2,157,986
<b>Total long-term prepaid expenses</b>	<b>11,566,198</b>	<b>2,157,986</b>

NOTE 7 - OTHER CURRENT ASSETS

	31 December 2023	31 December 2022
Deferred VAT	264,798,294	237,156,453
Other	1,767,001	2,012,383
<b>Total other current assets</b>	<b>266,565,295</b>	<b>239,168,836</b>

NOTE 8 - OTHER RECEIVABLES

	31 December 2023	31 December 2022
<b>Short-term other receivables:</b>		
Investment support receivables	1,937,610	5,421,705
Other	1,170,530	2,712,431
<b>Total short-term other receivables</b>	<b>3,108,140</b>	<b>8,134,136</b>
<b>Long-term other receivables:</b>		
Deposits and guarantees given	829,282	1,020,703
<b>Total long-term other receivables</b>	<b>829,282</b>	<b>1,020,703</b>

NOTE 9 - DEFERRED INCOME

	31 December 2023	31 December 2022
<b>Short-term deferred income:</b>		
Gift cards(*)	19,311,784	17,563,683
Advances taken	11,670,889	2,225,998
Deferred investment support income (**)	1,617,000	11,358,880
<b>Total short-term deferred income</b>	<b>32,599,673</b>	<b>31,148,561</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 9 - DEFERRED INCOME (Continued)**

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Long-term deferred income:</b>		
Deferred investment support income (**)	4,272,311	6,200,277
<b>Total long-term deferred revenues</b>	<b>4,272,311</b>	<b>6,200,277</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 2023</b>	<b>31 December 2022</b>
Trade goods	2,651,484,447	2,402,651,641
Raw materials and supplies	20,081,767	26,677,305
Work in progress	9,400,416	8,533,997
Finished goods	24,602,516	4,894,869
Other inventories	30,949,388	32,779,044
Less: Provisions for inventories	(5,539,714)	(13,537,897)
<b>Total inventories</b>	<b>2,730,978,820</b>	<b>2,461,998,959</b>

As of 31 December 2023, there is no pledge/mortgage on inventories (31 December 2022: None)

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

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>13,537,897</b>	<b>6,751,326</b>
Reversal of provision	(13,537,897)	(6,751,326)
Provisions for inventories	5,539,714	13,537,897
<b>31 December</b>	<b>5,539,714</b>	<b>13,537,897</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

	1 January 2023	Additions	Transfers	Disposals	31 December 2023	
<b>Cost</b>						
Buildings	9,459,215	-	-	(9,459,215)	-	
Machinery and equipment	101,528,587	6,678,548	781,730	(5,139,234)	103,849,631	
Furniture and fixtures	695,318,810	152,761,585	28,290,446	(8,884,710)	867,486,131	
Vehicles	19,987,601	5,982,395	-	(11,230,202)	14,739,794	
Leasehold improvements	739,378,600	131,690,170	78,604,526	(7,450,683)	942,222,613	
Construction in progress	14,471,154	116,413,443	(107,676,702)	-	23,207,895	
	<b>1,580,143,967</b>	<b>413,526,141</b>	<b>-</b>	<b>(42,164,044)</b>	<b>1,951,506,064</b>	
<b>Accumulated depreciation</b>						
Buildings	(2,454,335)	(174,050)	-	2,628,385	-	
Machinery and equipment	(17,712,918)	(7,005,148)	-	1,522,127	(23,195,939)	
Furniture and fixtures	(400,546,199)	(97,792,197)	-	6,265,642	(492,072,754)	
Vehicles	(1,671,386)	(3,717,174)	-	2,294,543	(3,094,017)	
Leasehold improvements	(434,181,945)	(103,892,640)	-	7,450,683	(530,623,902)	
	<b>(856,566,783)</b>	<b>(212,581,209)</b>	<b>-</b>	<b>20,161,380</b>	<b>(1,048,986,612)</b>	
<b>Net book value</b>	<b>723,577,184</b>				<b>902,519,452</b>	
	1 January 2022	Additions	Transfers	Disposals	Acquisition	31 December 2022
<b>Cost</b>						
Buildings	9,459,215	-	-	-	-	9,459,215
Machinery and equipment	5,648,967	41,937,188	-	-	53,942,432	101,528,587
Furniture and fixtures	611,791,492	103,436,898	8,205,118	(28,114,698)	-	695,318,810
Vehicles	1,893,796	14,509,554	-	(719,585)	4,303,836	19,987,601
Leasehold improvements	644,694,614	120,845,571	-	(26,161,585)	-	739,378,600
Construction in progress	9,053,409	13,622,863	(8,205,118)	-	-	14,471,154
	<b>1,282,541,493</b>	<b>294,352,074</b>	<b>-</b>	<b>(54,995,868)</b>	<b>58,246,268</b>	<b>1,580,143,967</b>
<b>Accumulated depreciation</b>						
Buildings	(2,265,151)	(189,184)	-	-	-	(2,454,335)
Machinery and equipment	(2,972,821)	(14,740,097)	-	-	-	(17,712,918)
Furniture and fixtures	(334,261,098)	(84,279,572)	-	17,994,471	-	(400,546,199)
Vehicles	(939,116)	(1,451,855)	-	719,585	-	(1,671,386)
Leasehold improvements	(367,207,140)	(88,733,593)	-	21,758,788	-	(434,181,945)
	<b>(707,645,326)</b>	<b>(189,394,301)</b>	<b>-</b>	<b>40,472,844</b>	<b>-</b>	<b>(856,566,783)</b>
<b>Net book value</b>	<b>574,896,167</b>					<b>723,577,184</b>

As of 31 December 2023, there are no guarantees, pledges and mortgages on property, plant and equipment, (31 December 2022: None).

The distribution of depreciation expenses is given in Note 21.

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 12 - INTANGIBLE ASSETS

	1 January 2023	Additions	Disposals	31 December 2023
<b>Cost</b>				
Rights	2,957,668	-	(308)	2,957,360
Development costs (**)	-	22,629,215	-	22,629,215
Other intangible assets (*)	166,804,666	55,929,054	(94,305)	222,639,415
	<b>169,762,334</b>	<b>78,558,269</b>	<b>(94,613)</b>	<b>248,225,990</b>
<b>Accumulated depreciation</b>				
Rights	(1,079,458)	(213,849)	142	(1,293,165)
Development costs (**)	-	-	-	-
Other intangible assets (*)	(135,180,832)	(27,549,578)	94,305	(162,636,105)
	<b>(136,260,290)</b>	<b>(27,763,427)</b>	<b>94,447</b>	<b>(163,929,270)</b>
<b>Net book value</b>	<b>33,502,044</b>			<b>84,296,720</b>
	1 January 2022	Additions	Disposals	31 December 2022
<b>Cost</b>				
Rights	3,038,305	-	(80,637)	2,957,668
Other intangible assets (*)	147,141,415	20,661,480	(998,229)	166,804,666
	<b>150,179,720</b>	<b>20,661,480</b>	<b>(1,078,866)</b>	<b>169,762,334</b>
<b>Birikmiş itfa payları (-)</b>				
Rights	(879,236)	(214,768)	14,546	(1,079,458)
Other intangible assets (*)	(113,072,728)	(23,106,333)	998,229	(135,180,832)
	<b>(113,951,964)</b>	<b>(23,321,101)</b>	<b>1,012,775</b>	<b>(136,260,290)</b>
<b>Net book value</b>	<b>36,227,756</b>			<b>33,502,044</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,

As of 31 December 2023, there is no guarantee, pledge or mortgage on intangible assets (31 December 2022: None),

The distribution of amortization expenses is given in Note 21.

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 13 - RIGHT OF USE ASSETS

	Vehicles	Buildings	Total
<b>Cost</b>			
<b>1 January 2023</b>	<b>27,298,467</b>	<b>956,126,390</b>	<b>983,424,857</b>
Additions	30,459,164	300,800,040	331,259,204
Disposals	(594,251)	(4,852,970)	(5,447,221)
<b>31 December 2023</b>	<b>57,163,380</b>	<b>1,252,073,460</b>	<b>1,309,236,840</b>
<b>Accumulated depreciation</b>			
<b>1 January 2023</b>	<b>23,120,447</b>	<b>438,145,521</b>	<b>461,265,968</b>
Additions	18,212,392	156,132,417	174,344,809
Disposals	(379,192)	(3,661,224)	(4,040,416)
<b>31 December 2023</b>	<b>40,953,647</b>	<b>590,616,714</b>	<b>631,570,361</b>
<b>Total</b>	<b>16,209,733</b>	<b>661,456,746</b>	<b>677,666,479</b>
	<b>Vehicles</b>	<b>Buildings</b>	<b>Total</b>
<b>Cost</b>			
<b>1 January 2022</b>	<b>26,520,902</b>	<b>971,459,865</b>	<b>997,980,767</b>
Additions	1,614,676	8,329,413	9,944,089
Disposals	(837,111)	(23,662,888)	(24,499,999)
<b>31 December 2022</b>	<b>27,298,467</b>	<b>956,126,390</b>	<b>983,424,857</b>
<b>Accumulated depreciation</b>			
<b>1 January 2022</b>	<b>18,441,308</b>	<b>334,986,571</b>	<b>353,427,879</b>
Additions	5,516,250	111,792,431	117,308,681
Disposals	(837,111)	(8,633,481)	(9,470,592)
<b>31 December 2022</b>	<b>23,120,447</b>	<b>438,145,521</b>	<b>461,265,968</b>
<b>Total</b>	<b>4,178,020</b>	<b>517,980,869</b>	<b>522,158,889</b>

The distribution of depreciation expenses is given in Note 21.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

<b>31 December 2023</b>	<b>Maturity range</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	427,988,448
Credit card			30,945,544
<b>Total</b>			<b>458,933,992</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	111,106,569
<b>Total</b>			<b>111,106,569</b>

<b>31 December 2023</b>	<b>Maturity range</b>	<b>Effective rate (%)</b>	<b>TRY</b>
<b>Long-term borrowings</b>			
Lease liabilities	01.01.2025 - 30.11.2033	20.00 – 61.91	420,779,054
<b>Total</b>			<b>420,779,054</b>

<b>31 December 2022</b>	<b>Maturity</b>	<b>Effective rate (%)</b>	<b>TRY</b>
<b>Short-term borrowings</b>			
Short-term unsecured loans	02.01.2023 – 18.12.2023	24.70	455,061,290
Credit card		-	65,009,504
<b>Total</b>			<b>520,070,794</b>

<b>31 December 2022</b>			<b>TRY</b>
<b>Short-term portions of long-term borrowings</b>			
Lease liabilities	01.01.2023-31.12.2023	20.00	67,850,964
<b>Total</b>			<b>67,850,964</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

<b>31 December 2022</b>	<b>Maturity range</b>	<b>Effective rate (%)</b>	<b>TRY</b>
<b>Long-term borrowings</b>			
Lease liabilities	01.01.2024 – 30.06.2032	20.00	334,713,353
<b>Total</b>			<b>334,713,353</b>

As of 31 December 2023 and 31 December 2022, 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 15 - OTHER SHORT-TERM AND LONG-TERM LIABILITIES**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Taxes and funds payable	20,983,124	11,030,936
Other	24,918	501,365
<b>Total other current liabilities</b>	<b>21,008,042</b>	<b>11,532,301</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>
Deferred payments related to acquisition (*)	8,800,000	10,069,456
<b>Total other long-term liabilities</b>	<b>8,800,000</b>	<b>10,069,456</b>

(\*) The contingent consideration related to the acquisition of Tuna Çocuk is the amortized cost value of future payments to be made to the seller as of the balance sheet date. Within the 3-year period following the acquisition date, a total of 32,000,000 TRY contingent payment obligation has been mutually agreed upon based on Tuna Çocuk's financial performance determined by Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA). A discount rate of 20% has been used in the fair value calculation. Due to the management's assessment of the acquisition date being over 24 months and the necessary performance criteria not yet being met, and considering the partial likelihood of achievement within the following 12 months, the contract amount of 32,000,000 TRY has been forecasted as contingent consideration, reduced to 10,666,667 TRY. Accordingly, discounted contingent payments of 6,111,111 TRY as of the acquisition date and 8,800,000 TRY as of 31 December 2023, have been accounted for as long-term liabilities.



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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 16 - COMMITMENTS**

The Group's collateral/pledge/mortgage ("CPM") position as of 31 December 2023 and 31 December 2022 is as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
A, Total amount of CPM given in the name of its own legal entity	158,699,913	106,789,813
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>158,699,913</b>	<b>106,789,813</b>

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Original currency</b>	<b>TRY</b>	<b>Original currency</b>	<b>TRY</b>
	TRY	137,225,411	TRY	80,696,911
	USD	9,600,420	USD	10,861,864
	EUR	11,874,082	EUR	15,231,038
		<b>158,699,913</b>		<b>106,789,813</b>

**Guarantee letters**

a) Collaterals given as of 31 December 2023 and 31 December 2022 are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Guarantee letters	158,699,913	106,789,813
	<b>158,699,913</b>	<b>106,789,813</b>

b) Collateral received as of 31 December 2023 and 31 December 2022 are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Guarantee letters	1,125,000	32,954,584
	<b>1,125,000</b>	<b>32,954,584</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 17 - FINANCIAL INVESTMENTS**

As of 31 December 2023, 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 18 - EMPLOYEE BENEFITS**

**Employee benefit obligations**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Salaries and bonuses payable	30,145,463	17,024,722
Social security payables	24,865,988	17,158,557
	<b>55,011,451</b>	<b>34,183,279</b>

**Long-term provisions for employee benefits**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Provision for unused vacations	22,982,587	16,048,959
	<b>22,982,587</b>	<b>16,048,959</b>

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

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>16,048,959</b>	<b>15,170,218</b>
Addition for period	6,933,628	878,741
<b>31 December</b>	<b>22,982,587</b>	<b>16,048,959</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
Provisions for employee termination benefits	13,318,019	79,796,295
	<b>13,318,019</b>	<b>79,796,295</b>

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 35,058.58 TRY, effective from 1 January 2024, has been considered (31 December 2022: 19,982.83 TRY).

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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

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 2023, and 31 December 2022, 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 2023 are calculated by estimating the present value of the probable future obligation arising from the retirement of the employees. Calculated using the real discount rate obtained as 1.92% (31 December 2022: (0.93)%). 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.

	<b>31 December 2023</b>	<b>31 December 2022</b>
Net discount rate (%)	1.92%	(0.93)%
Turnover rate related the probability of retirement (%)	64.77%	66.34%

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

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>79,796,295</b>	<b>13,562,701</b>
Interest expense	1,641,538	5,229,724
Service cost	1,051,027	12,398,742
Payments during the period	(15,424,053)	(9,412,404)
Actuarial losses/ (gain)	(56,447,877)	75,575,085
Monetary gain/ (losses)	2,701,089	(17,557,553)
<b>31 December</b>	<b>13,318,019</b>	<b>79,796,295</b>

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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, 2022: 17,500,000), with a nominal value of 160,000,000 TRY (as of 31 December 2022: 17,500,000).

As of 31 December 2023 and 31 December 2022, the Company's shareholders and their shares in the capital are as follows:

	31 December 2023		31 December 2022	
	Share rate (%)	Share amount (TRY)	Share rate (%)	Share amount (TRY)
Ahmet Afif Topbaş	16.51%	26,409,567	25.59%	4,477,500
Mahmud Muhammed Topbaş	15.60%	24,960,000	19.60%	3,429,500
Musa Topbaş	15.60%	24,960,000	19.59%	3,427,500
Halil Erdoğan	10.74%	17,181,730	13.42%	2,349,000
Fatma Hande Topbaş	5.85%	9,352,856	7.43%	1,300,000
Fatma Zehra Ülker	5.85%	9,352,856	7.43%	1,300,000
Kemal Anthony Hatoum	3.13%	5,012,845	4.91%	860,047
Mustafa Latif Topbaş	0.46%	738,284	0.54%	95,000
Other	1.27%	2,031,862	1.49%	261,453
Publicly traded	25.00%	40,000,000	-	-
<b>Paid-in capital</b>	<b>100.00%</b>	<b>160,000,000</b>	<b>100.00%</b>	<b>17,500,000</b>
Adjustment to share capital		161,061,697		105,926,001
<b>Total</b>		<b>321,061,697</b>		<b>123,426,001</b>

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.

The company conducted bonus share issues on 27 January 2023, and 12 May 2023, increasing its paid-in capital to 41,000,000 TRY and 136,000,000 TRY, respectively. Along with the public offering, a paid capital increase of 24,000,000 TRY was realized, bringing the paid-in capital to 160,000,000 TRY.

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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 19 - EQUITY (Continued)**

Group's consolidated financial statements as of 31 December 2023, presenting relevant equity items adjusted for inflation, are compared below with the inflation-adjusted amounts in the financial statements prepared in accordance with the tax procedure law:

<b>31 December 2023 (TFRS)</b>	<b>Nominal value</b>	<b>Effect of inflation adjustment</b>	<b>Indexed value</b>
Paid-in capital	160,000,000	161,061,697	321,061,697
Restricted reserves	4,506,521	6,663,204	11,169,725

  

<b>31 December 2023 (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	216,717,567	376,717,567
Restricted reserves	4,506,521	9,569,736	14,076,256

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

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Goods and Services Sales		
- Store sales	9,363,125,356	7,405,682,146
- E-commerce sales	2,148,107,315	1,302,228,947
- Other sales (*)	365,403,808	380,807,129
<b>Gross sales</b>	<b>11,876,636,479</b>	<b>9,088,718,222</b>
<b>Sales returns and discounts (-)</b>	<b>(517,579,853)</b>	<b>(386,753,347)</b>
<b>Net sales</b>	<b>11,359,056,626</b>	<b>8,701,964,875</b>
Domestic sales	11,321,945,269	8,701,609,779
Sales abroad	37,111,357	355,096
<b>Cost of sales</b>	<b>(8,159,265,254)</b>	<b>(6,596,790,518)</b>
<b>Gross profit</b>	<b>3,199,791,372</b>	<b>2,105,174,357</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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 21 - EXPENSES BY NATURE**

**Marketing expenses**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Personnel expenses	1,086,548,728	729,476,047
Depreciation and amortization expenses	367,515,904	277,033,817
Advertising and promotion expenses	199,397,508	169,223,848
Rent expenses	188,640,703	135,260,845
Cargo expenses	147,366,813	90,549,961
Energy expenses	122,954,073	144,515,824
Transportation expenses	87,493,303	76,751,321
Storage expenses	58,824,836	44,092,679
Packaging materials	51,931,710	44,194,822
Maintenance and repair expenses	25,718,412	18,948,713
Other	155,298,492	108,190,653
<b>Total</b>	<b>2,491,690,482</b>	<b>1,838,238,530</b>

**General administrative expenses**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Personnel expenses	236,430,952	162,514,607
Depreciation and amortization expenses	42,154,344	45,358,925
Information technologies expenses	28,238,678	28,929,047
Consultancy expenses	18,806,454	12,889,705
Taxes and fees expenses	11,115,185	6,684,105
Other	65,439,412	43,112,401
<b>Total</b>	<b>402,185,025</b>	<b>299,488,790</b>

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Cost of trade goods sold	8,030,605,563	6,425,540,252
Personnel expenses	1,360,139,890	930,940,669
Depreciation and amortization expenses	414,689,445	330,024,083
Advertising and promotion expenses	199,397,508	169,223,848
Cargo expenses	148,578,149	90,845,634
Energy expenses	129,252,244	149,096,393
Transportation expenses	88,157,228	76,751,321
Storage expenses	58,980,644	44,094,820
Other	623,340,090	518,000,818
<b>Total expenses by nature</b>	<b>11,053,140,761</b>	<b>8,734,517,838</b>

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 21 - EXPENSES BY NATURE (Continued)

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Personnel expenses</b>		
Marketing expenses	1,086,548,728	729,476,047
General administrative expenses	236,430,952	162,514,607
Cost of sales	37,160,210	38,950,015
<b>Total</b>	<b>1,360,139,890</b>	<b>930,940,669</b>

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Amortisman giderleri</b>		
Cost of sales	5,019,197	7,631,341
Marketing expenses	367,515,904	277,033,817
General administrative expenses	42,154,344	45,358,925
<b>Total</b>	<b>414,689,445</b>	<b>330,024,083</b>

NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
Investment support income	9,418,998	10,400,644
Other	19,385,453	7,473,904
<b>Other operating income</b>	<b>28,804,451</b>	<b>17,874,548</b>

	1 January - 31 December 2023	1 January - 31 December 2022
Credit finance charges arising from purchases	(693,253,363)	(341,321,618)
Foreign exchange losses	(19,196,219)	(11,795,977)
Other	(38,440,798)	(17,347,203)
<b>Other operating expenses</b>	<b>(750,890,380)</b>	<b>(370,464,798)</b>

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 23 - INCOME FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2023	1 January - 31 December 2022
Income from sales of fixed assets	35,204,733	11,258,649
Income from financial investment revaluation gains	35,565,611	-
<b>Income from investment activities</b>	<b>70,770,344</b>	<b>11,258,649</b>

NOTE 24 - FINANCIAL INCOME AND EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
Participation account income	2,855,364	-
<b>Financing income</b>	<b>2,855,364</b>	<b>-</b>

	1 January - 31 December 2023	1 January - 31 December 2022
Credit card commission expenses	(125,598,551)	(113,428,132)
Lease liabilities interest expenses	(107,188,895)	(88,970,919)
Loan fund commission expenses	(104,273,801)	(109,684,049)
Other	(28,872,281)	(7,372,188)
<b>Financing expenses</b>	<b>(365,933,528)</b>	<b>(319,455,288)</b>

NOTE 25 - TAX ASSETS AND LIABILITIES

	31 December 2023	31 December 2022
Corporate tax payable	88,617,079	57,347,353
Less: Prepaid taxes	(48,169,534)	(57,340,846)
<b>Current period tax liabilities</b>	<b>40,447,545</b>	<b>6,507</b>

	31 December 2023	31 December 2022
Current period income tax expense	(88,617,079)	(57,347,353)
Deferred tax (income)/expense	(62,665,624)	44,898,362
<b>Tax expense</b>	<b>(151,282,703)</b>	<b>(12,448,991)</b>



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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)**

In Turkey, the corporate tax rate is 25% (2022: 23%). 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 December 2023 and 31 December 2022, the breakdown of accumulated temporary differences and deferred tax assets/(liabilities) using the applicable tax rates is as follows:

	<b>Temporary differences</b>		<b>Deferred tax asset</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Inventories	143,337,788	160,377,679	(32,967,691)	(32,075,536)
Property, plant and equipment and intangible assets	358,674,228	208,222,912	(82,495,072)	(41,644,582)
Trade payables and ve Inventory markdown	27,821,167	(18,831,633)	(6,398,868)	3,766,327
Employee benefits	(36,300,606)	(95,845,254)	7,260,121	19,169,050
Warranty provisions	(21,726,840)	(23,952,148)	4,345,368	4,790,430
Right of use assets and lease liabilities	145,780,856	119,594,569	(29,820,305)	(23,918,914)
Other	20,220,800	13,702,011	(4,650,785)	(2,740,403)
<b>Deferred tax liabilities, net</b>			<b>(144,727,232)</b>	<b>(72,653,628)</b>

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

	<b>2023</b>	<b>2022</b>
<b>1 January</b>	<b>(72,653,628)</b>	<b>(142,812,609)</b>
Tax expense recognized in the profit or loss statement	(62,665,624)	44,898,362
Tax income on other comprehensive income items	(9,407,980)	12,595,847
Subsidiary acquisition	-	12,664,772
<b>31 December</b>	<b>(144,727,232)</b>	<b>(72,653,628)</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)**

The reconciliation of current period tax expense is as follows:

	2023	2022
<b>Profit before tax</b>	<b>453,677,308</b>	<b>276,939,441</b>
Tax calculated	(113,419,327)	(63,696,071)
Effect of disallowable expenses	(10,568,080)	(10,494,319)
Other	(27,295,296)	61,741,399
<b>Total tax income / (expense)</b>	<b>(151,282,703)</b>	<b>(12,448,991)</b>

**NOTE 26 - 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 2023 and 31 December 2022, balances due to and due to related parties and a summary of transactions with related parties during the period are presented below:

**i) Related party balances as of 31 December 2023 and 31 December 2022:**

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

As of 31 December 2023, the Group has no trade and other receivables from related parties. (31 December 2022: None)

**b) Trade payables to related parties**

	31 December 2023	31 December 2022
Turkuvaz Plastik ve Tem. Ürün. San. Tic. A.Ş.	9,512,084	22,557,528
Hedef Tüketim Ürün. San. Dış Tic. A.Ş.	8,303,803	42,705,591
Seranit Granit Seramik San. Ve Tic. A.Ş.	2,864,396	2,597,691
Avansas Ofis Malzemeleri Ticaret A.Ş.	726,439	992,752
Proline Bilişim Sistemleri Ve Ticaret A.Ş.	-	42,513
Anadolu Ulaşım A.Ş.	-	7,333
<b>Total</b>	<b>21,406,722</b>	<b>68,903,408</b>

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 26 - RELATED PARTY DISCLOSURES (Continued)

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

a) Purchases from related parties

	Trade goods	Other	1 January – 31 December 2023
Anadolu Ulaşım A.Ş	-	7,011,635	7,011,635
Avansas Ofis Malzemeleri Ticaret A.Ş.	-	4,374,024	4,374,024
Hedef Tüketim Ürün. San. Dış Tic. A.Ş.	63,250,050	-	63,250,050
Turkuvaz Plastik ve Tem.Ürün.San.Tic.A.Ş.	62,479,785	-	62,479,785
Bim Birlesik Magazalar A.S.	40,826	5,000,725	5,041,551
Seranit Granit Seramik San. Ve Tic. A.Ş.	-	17,686,644	17,686,644
Evidea Mağazacılık A.Ş.	47,319	6,090,582	6,137,901
<b>Total</b>	<b>125,817,980</b>	<b>40,163,610</b>	<b>165,981,590</b>

	Trade goods	Other	1 Januaryl – 31 December 2022
Anadolu Ulaşım A.Ş	-	3,135,491	3,135,491
Avansas Ofis Malzemeleri Ticaret A.Ş.	-	4,770,231	4,770,231
Hedef Tüketim Ürün. San. Dış Tic. A.Ş.	28,152,026	-	28,152,026
Turkuvaz Plastik ve Tem.Ürün.San.Tic.A.Ş.	74,097,562	-	74,097,562
Proline Bilişim Sistemleri Ve Ticaret A.Ş.	-	1,423,272	1,423,272
Bim Birlesik Magazalar A.S.	-	4,989,189	4,989,189
Seranit Granit Seramik San. Ve Tic. A.Ş.	-	13,342,317	13,342,317
Evidea Mağazacılık A.Ş.	-	3,931,766	3,931,766
<b>Total</b>	<b>102,249,588</b>	<b>31,594,337</b>	<b>133,843,925</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 26 - RELATED PARTY DISCLOSURES (Continued)**

**b) Sales to related parties**

	<b>Product sales</b>	<b>Other sales</b>	<b>1 January – 31 December 2023</b>
Fatma Zehra Ülker	1,403,553	-	1,403,553
Fatma Hande Topbaş	1,403,553	-	1,403,553
Mahmud Muhammed Topbaş	1,403,553	-	1,403,553
Musa Topbaş	1,403,553	-	1,403,553
Mustafa Latif Topbaş	1,666,243	-	1,666,243
Avansas Ofis Malzemeleri Ticaret A.Ş.	-	31,006	31,006
Hedef Tüketim Ürün. San. Dış Tic. A.Ş.	12,737,730	-	12,737,730
Bim Birlesik Magazalar A.S.	1,480	-	1,480
Anadolu Ulaşım A.Ş.	33,065	10,831,316	10,864,381
Evidea Mağazacılık A.Ş.	290,168	9,821,009	10,111,177
Aktül Kağıt Üretim Paz. A.Ş.	69,152	-	69,152
<b>Total</b>	<b>20,412,050</b>	<b>20,683,331</b>	<b>41,095,381</b>

	<b>Product sales</b>	<b>Other sales</b>	<b>1 January - 31 December 2022</b>
Proline Bilişim Sistemleri Ve Ticaret A.Ş.	-	81,300	81,300
Avansas Ofis Malzemeleri Ticaret A.Ş.	-	656,089	656,089
Hedef Tüketim Ürün. San. Dış Tic. A.Ş.	29,809,102	5,287	29,814,389
Bim Birlesik Magazalar A.Ş.	-	3,883	3,883
Evidea Mağazacılık A.Ş.	-	8,376,538	8,376,538
Aktül Kağıt Üretim Paz. A.Ş.	107,330	-	107,330
<b>Total</b>	<b>29,916,432</b>	<b>9,123,097</b>	<b>39,039,529</b>

**iii) Other transactions with related parties for the accounting period 31 December 2023 and 31 December 2022 :**

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

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Short-term benefits to management (*)	48,024,447	28,835,346

(\*) 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 2023 and 31 December 2022 are short-term benefits.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT  
31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 27 - EARNINGS PER SHARE**

	<b>1 January - 31 December 2023</b>	<b>1 January - 31 December 2022</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	302,099,366	269,414,692
<b>Earnings per share</b>	<b>1.89</b>	<b>1,68</b>

**NOTE 28 - 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.

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED STATEMENT FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2023 and 31 December 2022, the amounts of the Group's foreign currency assets and liabilities and their TRY provisions are as follows:

31 December 2023	TRY Equivalent	USD	EUR	GBP
1. Trade receivables	-	-	-	-
2a. Monetary financial assets	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>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>9. Total assets (4+8)</b>	<b>121,287,148</b>	<b>4,113,068</b>	<b>5,983</b>	<b>292</b>
10. Trade payables	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>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>18. Total liabilities (13+17)</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 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	-	-	-	-
<b>20. Net foreign currency asset/ (liability) position (9-18+19)</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>100,750,826</b>	<b>3,657,731</b>	<b>(181,041)</b>	<b>(26,404)</b>
22. Total fair value of financial instruments used for currency hedging	-	-	-	-
23. Amount of hedged portion of foreign currency assets	-	-	-	-

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

EBEBEK MAĞAZACILIK A.Ş.

NOTES TO THE CONSOLIDATED STATEMENT FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
31 DECEMBER 2023

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2022	TRY Equivalent (Indexed)	TRY Equivalent (Not indexed)	USD	EUR	GBP
1. Trade receivables	-	-	-	-	-
2a. Monetary financial assets	229.942	139.551	5.309	2.203	606
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>229.942</b>	<b>139.551</b>	<b>5.309</b>	<b>2.203</b>	<b>606</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>229.942</b>	<b>139.551</b>	<b>5.309</b>	<b>2.203</b>	<b>606</b>
10. Trade payables	27.184.101	16.497.918	464.578	370.822	17.244
11. Financial liabilities	-	-	-	-	-
12a. Other monetary obligations	-	-	-	-	-
12b. Other non-monetary obligations	-	-	-	-	-
<b>13. Short-term liabilities (10+11+12)</b>	<b>27.184.101</b>	<b>16.497.918</b>	<b>464.578</b>	<b>370.822</b>	<b>17.244</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>27.184.101</b>	<b>16.497.918</b>	<b>464.578</b>	<b>370.822</b>	<b>17.244</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	-	-	-	-	-
19b. 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>(26.954.159)</b>	<b>(16.358.367)</b>	<b>(459.259)</b>	<b>(368.619)</b>	<b>(16.638)</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>(26.954.159)</b>	<b>(16.358.367)</b>	<b>(459.259)</b>	<b>(368.619)</b>	<b>(16.638)</b>
22. Total fair value of financial instruments used for currency hedging	-	-	-	-	-
23. Amount of hedged portion of foreign currency assets	-	-	-	-	-

**(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 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

The analysis of foreign currency sensitivity at 31 December 2023 and 31 December 2022 is as follows:

	<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)	10.767.702	(10.767.702)
2- USD hedged from risks (-)	-	-
<b>3- USD net effect (1+2)</b>	<b>10.767.702</b>	<b>(10.767.702)</b>
<b>Increase/decrease in the EUR against TRY by 10%</b>		
4- EUR net asset/(liability)	(590.784)	590.784
5- EUR hedged from risks (-)	-	-
<b>6- EUR net effect (4+5)</b>	<b>(590.784)</b>	<b>590.784</b>
<b>Increase/decrease in the GDP against TRY by 10%</b>		
4- GBP net asset/(liability)	(99.376)	99.376
5- GBP hedged from risks (-)	-	-
<b>6- GBP net effect (4+5)</b>	<b>(99.376)</b>	<b>99.376</b>
<b>Total net effect</b>	<b>10.077.541</b>	<b>(10.077.541)</b>
	<b>Profit/loss</b>	<b>Profit/loss</b>
	<b>Foreign currency appreciation</b>	<b>Foreign currency depreciaton</b>
<b>31 December 2022</b>		
<b>Increase/decrease in the USD against TRY by 10%</b>		
1- USD net asset/(liability)	(858.756)	858.756
2- , USD hedged from risks (-)	-	-
<b>3- USD net effect (1+2)</b>	<b>(858.756)</b>	<b>858.756</b>
<b>Increase/decrease in the EUR against TRY by 10%</b>		
4- EUR net asset/(liability)	(736.563)	736.563
5- EUR hedged from risks (-)	-	-
<b>6- EUR net effect (4+5)</b>	<b>(736.563)</b>	<b>736.563</b>
<b>Increase/decrease in the GDP against TRY by 10%</b>		
4- GBP net asset/(liability)	(37.418)	37.418
5- GBP hedged from risks (-)	-	-
<b>6- GBP net effect (4+5)</b>	<b>(37.418)</b>	<b>37.418</b>
<b>Total net effect</b>	<b>(1.632.737)</b>	<b>1.632.737</b>



(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 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 28 - 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 2023 and 31 December 2022, the Group's financial liabilities consist of fixed rate bank loans and lease liabilities.

**31 December 2023    31 December 2022**

**Fixed rate financial instruments**

Time deposits	-	-
Borrowings	990,819,615	922,635,111

**Variable rate financial instruments**

Time deposits	-	-
Financial investments	121,033,202	-
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.

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED STATEMENT FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

As of 31 December 2023 and 31 December 2022, 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	-	43,165,331	3,937,422	853,237,291
Secured portion	-	-	-	-
Net book value of overdue but not impaired assets	-	-	-	-
Secured portion	-	-	-	-
Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	-	804,725	1,185,405	-
- Impairment (-)	-	(804,725)	(1,185,405)	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
Elements involving off-balance sheet credit risk	-	-	-	-
<b>Maximum exposure to credit risk</b>	-	<b>43,165,331</b>	<b>3,937,422</b>	<b>853,237,291</b>

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

**EBEBEK MAĞAZACILIK A.Ş.**

**NOTES TO THE CONSOLIDATED STATEMENT FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

As of 31 December 2023 and 31 December 2022, the amounts of the Group's foreign currency assets and liabilities and their TRY provisions are as follows:

<b>31 December 2022</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	-	58,666,753	9,154,839	80,040,793
Secured portion	-	-	-	-
Net book value of overdue but not impaired assets	-	-	-	-
Secured portion	-	-	-	-
Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	-	804,725	1,185,405	-
- Impairment (-)	-	(804,725)	(1,185,405)	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
Elements involving off-balance sheet credit risk	-	-	-	-
<b>Maximum exposure to credit risk</b>	<b>-</b>	<b>58,666,753</b>	<b>9,154,839</b>	<b>80,040,793</b>

**(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 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 28 - 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 2023 and 31 December 2022, the presentation of liabilities according to their undiscounted cash flows and remaining maturities is presented in the tables below:

<b>31 December 2023</b>	<b>Book value</b>	<b>Less than 3 month</b>	<b>3 - 12 month</b>	<b>1 - 5 month</b>	<b>Total cash outflows pursuant to the contract</b>
Financial liabilities	458,933,992	207,102,091	340,627,050	-	547,729,141
Trade payables to third parties	2,351,037,834	2,267,947,114	220,537,233	-	2,488,484,347
Trade payables to related parties	21,406,722	21,406,722	-	-	21,406,722
Lease liabilities	531,885,623	54,199,987	161,198,656	528,798,510	744,197,153
<b>Non-derivative financial liabilities</b>	<b>3,363,264,171</b>	<b>2,550,655,914</b>	<b>722,362,939</b>	<b>528,798,510</b>	<b>3,801,817,363</b>

<b>31 December 2022</b>	<b>Book value</b>	<b>Less than 3 month</b>	<b>3 - 12 month</b>	<b>1 - 5 month</b>	<b>Total cash outflows pursuant to the contract</b>
Financial liabilities	520,070,794	339,711,092	213,705,460	-	553,416,552
Trade payables to third parties	2,151,514,890	2,020,407,718	178,687,992	-	2,199,095,710
Trade payables to related parties	68,903,408	68,903,408	-	-	68,903,408
Lease liabilities	402,564,317	32,425,824	94,980,353	410,387,896	537,794,073
<b>Non-derivative financial liabilities</b>	<b>3,143,053,409</b>	<b>2,461,448,042</b>	<b>487,373,805</b>	<b>410,387,896</b>	<b>3,359,209,743</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.

(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 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Financial liabilities	990,819,615	922,635,111
Less: Cash and cash equivalents (Note 4)	(866,114,647)	(88,492,522)
<b>Net financial debt</b>	<b>124,704,968</b>	<b>834,142,589</b>
<b>Total equity</b>	<b>2,532,358,605</b>	<b>1,006,268,888</b>
<b>Net financial debt/equity</b>	<b>0.05</b>	<b>0.83</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 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

**NOTE 29 - SUPPLEMENTARY CASH FLOW INFORMATION**

	<b>Borrowings</b>	<b>Lease liability</b>	<b>Total</b>
<b>1 January 2023</b>	<b>520,070,794</b>	<b>402,564,317</b>	<b>922,635,111</b>
Cash inflows during the period	1,309,130,341	-	1,309,130,341
Lease additions	-	331,259,204	331,259,204
Lease terminations	-	(2,488,123)	(2,488,123)
Cash outflows during the period	(1,170,280,377)	(155,248,683)	(1,325,529,060)
Other	4,455,224	107,188,895	111,644,119
Monetary gain/(loss)	(204,441,990)	(151,389,987)	(355,831,977)
<b>31 December 2023</b>	<b>458,933,992</b>	<b>531,885,623</b>	<b>990,819,615</b>
	<b>Borrowings</b>	<b>Lease liability</b>	<b>Total</b>
<b>1 January 2022</b>	<b>449,786,558</b>	<b>536,491,032</b>	<b>986,277,590</b>
Cash inflows during the period	914,555,869	-	914,555,869
Lease additions	-	9,944,089	9,944,089
Lease terminations	-	(15,029,407)	(15,029,407)
Cash outflows during the period	(661,542,057)	(152,315,017)	(813,857,074)
Other	(6,753,002)	88,970,919	82,217,917
Monetary gain/(loss)	(175,976,574)	(65,497,299)	(241,473,873)
<b>31 December 2022</b>	<b>520,070,794</b>	<b>402,564,317</b>	<b>922,635,111</b>

**NOTE 30 - 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 – 31 December 2023</b>	<b>1 January – 31 December 2022</b>
Independent audit fee for the reporting period	6,968,275	2,243,569
Fees for other assurance services	109,958	147,100
<b>Total</b>	<b>7,078,233</b>	<b>2,390,669</b>

**(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 2023**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)

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**NOTE 31 - EVENTS AFTER THE BALANCE SHEET DATE**

According to the decision of the board of directors dated 21 February 2024; within the framework of the Lease Certificates Regulation ("Regulation") published in the Official Gazette dated 7 June 2013, numbered 28670 by the Capital Markets Board, it has been decided to apply to the Capital Markets Board on 29 February 2024, for the issuance of lease certificates to be issued in tranches within the limit of 1,000,000,000 TRY (One Billion Turkish Liras), where the Company will act as the fund user and Değer Varlık Kiralama Anonim Şirketi will act as the issuer, based on management contracts as envisaged in Articles 4 to 6 of the Regulation, to be offered privately and/or sold to qualified investors, with various maturities and terms, in Turkish Lira domestically, without public offering, subject to allocation, as specified in the Regulation.

(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 2023**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2023 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 - 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Revenue	11,359,056,626	8,701,964,875
Cost of sales (-)	(8,159,265,254)	(6,596,790,518)
<b>Gross profit</b>	<b>3,199,791,372</b>	<b>2,105,174,357</b>
General and administrative expenses (-)	(402,185,025)	(299,488,790)
Marketing expenses (-)	(2,491,690,482)	(1,838,238,530)
Addition: Depreciation and amortization	414,689,445	330,024,083
<b>EBITDA</b>	<b>720,605,310</b>	<b>297,471,120</b>
<b>%</b>	<b>6.34</b>	<b>3.42</b>

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