CARREFOURSA CARREFOUR
SABANCI TİCARET MERKEZİ A.Ş.

FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024
AND INDEPENDENT AUDITORS' REPORT

(CONVINIENCE TRANSLATION OF
THE REPORT AND FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.

A) Audit of the Financial Statements

1) Opinion

We have audited the financial statements of Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. ("the Company"), which comprise the statement of financial position as of 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition The Company operates in the retail sector at domestically. In addition to being the most important financial statement item in the retail sector, revenue is the most important criterion in terms of the management's evaluation of the results of the strategies implemented during the year along with the number of stores and performance measurement. Revenue is a key matter for our audit since, in parallel with the number of stores, the transaction volume is very high, it is relatively difficult to provide assurance about the accuracy of the revenue as it is realized at a large number of sales points and the revenue is at a significant level for the consolidated financial statements. Explanations regarding revenue are included in Note 18.	The audit procedures performed include, but are not limited to: In the management chain of the revenue recognition process, the process owners were interviewed and the design, implementation and operation of the important controls related to the process were evaluated with the support of our Information Technologies ("IT") experts. In order to control the completeness and accuracy of pricing of sales and invoicing, controls such as automatic transfer of sales records to the accounting system, automatic transfer of product prices to cash registers and transfer of transactions in stores to the accounting system at the end of each day, and manual control of the previous day's sales by the accounting department every day were tested. The accounting of the amounts transferred to the cash register at the end of the day was tested by sampling. Sales generated through the banks during the year were verified through reconciliations obtained from the banks. Analytical substantive procedures were applied to analyse the change in sales. In this way, the reliability of the variables used was ensured. Product and category-based sales and gross profit margins were compared with previous periods and their consistency was assessed. The adequacy of the disclosures in the consolidated financial statements and footnotes has been evaluated within the scope of TFRS 15.

Key Audit Matter	How the matter was addressed in the audit
Goodwill Impairment Test The Company's statement of financial position as of 31 December 2024 includes goodwill amounting to TL 4,351,684 thousand as a result of previous acquisitions. In accordance with TAS 36 "Impairment of Assets", the Company is required to perform an impairment test of goodwill arising from business combinations at least once a year. The recoverable amount of cash generating units is determined based on value in use. Recoverable amount is determined based on discounted projected cash flows by using key management estimates; such as, revenue increase, discount rate, long-term growth rate and inflation rate. There are significant estimates and assumptions used in the impairment tests performed by the management and this asset has material magnitude on the financial statements, thus the impairment testing of goodwill is determined as a key audit matter. The related disclosures including the accounting policies for impairment testing of goodwill are disclosed in Notes 2.6 and 12.	The audit procedures performed include, but are not limited to: The processes related to the goodwill impairment test have been analyzed, and the design and implementation of controls related to these processes have been evaluated. The construct and mathematical accuracy of the calculations made in the goodwill impairment test were tested. The reasonableness of the estimates used in the goodwill impairment test has been assessed taking into account independent data sources and current market conditions. The realizability of the forward cash flow and capital expenditure projections used in the goodwill impairment test has been assessed in meetings with key management. The financial information for the year used as a basis for the goodwill impairment test was checked for consistency with the audited financial information for the current period. The consistency of the projections made in previous years has been compared with the financial statements realized this year. The mathematical accuracy and proper presentation of the sensitivity analyses for the significant accounting estimates used in the goodwill impairment test were checked. The compliance of the disclosures in the financial statements regarding the goodwill impairment test with TFRS has been checked.

4) Other Matters

The independent audit of the financial statements of the Company for the accounting period ended 31 December 2023 was carried out by another independent auditor and an unqualified opinion was issued in the independent auditor's report dated 28 March 2024.

5) Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6) Auditor's Responsibilities for the Audit of the Financial Statements

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

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the standards on auditing issued by Capital Markets Board and the SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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).

- Obtain an understanding of 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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6) Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 Company'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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 24 February 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January - 31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Ömer Yüksel.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Ömer Yüksel
Partner

İstanbul, 24 February 2025

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CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current Assets		**11,973,008**	**12,655,205**
Cash and Cash Equivalents	3	2,044,840	2,463,679
Trade Receivables			
Due From Related Parties	5, 27	66,094	98,146
Due From Third Parties	5	1,636,822	1,448,318
Other Receivables			
Due From Third Parties	6	172,839	487,483
Inventories	7	7,744,869	7,848,232
Prepaid Expenses			
Prepaid Expenses to Related Parties	8, 27	52,755	51,259
Other Prepaid Expenses	8	254,789	258,088
Non-Current Assets		**15,373,823**	**15,265,994**
Other Receivables			
Due From Third Parties	6	193,933	233,770
Property, Plant and Equipment	10	4,054,531	4,304,000
Right of Use Assets	9	5,673,944	5,761,991
Intangible Assets			
Goodwill	12	4,351,684	4,351,684
Other Intangible Assets	11	357,037	400,787
Prepaid Expenses			
Other Prepaid Expenses	8	2,449	7,496
Deferred Tax Assets	25	740,245	206,266
TOTAL ASSETS		**27,346,831**	**27,921,199**

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

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CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
Current Liabilities		**19,743,010**	**17,167,745**
Financial Liabilities			
Short Term Bank Loans from Related Parties	4, 27	-	74,628
Short Term Bank Loans from Third Parties	4	5,234,188	1,810,393
Other Financial Liabilities			
Other Financial Liabilities to Third Parties	4	619,821	315,880
Short Term Portion of Long Term Finance Lease Liabilities			
Short Term Portion of Long Term Lease Liabilities to Third Parties	4	792,933	664,909
Trade Payables			
Due to Related Parties	5, 27	325,667	275,873
Due to Third Parties	5	11,478,027	12,698,750
Employee Benefit Liabilities	15	579,557	655,691
Other Payables			
Due to Related Parties	6, 27	103,441	108,820
Due to Third Parties	6	190,667	190,068
Short Term Provisions			
Provisions for Employment Benefits	13	23,057	17,837
Other Short Term Provisions	13	218,036	157,684
Deferred Income (Except Liabilities Arising From Customer Contracts)	16	177,616	197,212
Non-Current Liabilities		**3,215,869**	**3,323,438**
Long Term Finance Lease Liabilities			
Long Term Lease Liabilities to Third Parties	4	2,456,347	2,605,716
Long Term Provisions			
Provisions for Employment Termination Benefits	13	759,522	717,722
TOTAL LIABILITIES		**22,958,879**	**20,491,183**
EQUITY		**4,387,952**	**7,430,016**
Shareholders' Equity		**4,387,952**	**7,430,016**
Share Capital	17	127,774	127,774
Inflation Adjustment Differences to Share Capital	17	18,425,758	18,425,758
Share Issue Premium / Discounts		2,825,088	2,825,088
Other Accumulated Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss			
- Losses on Remeasurement of Defined Benefit Obligations	17	(1,084,024)	(892,934)
Restricted Reserves Appropriated from Profit	17	167,842	167,842
Accumulated Deficit	17	(13,223,512)	(14,962,118)
Net (Loss) / Profit for the Period		(2,850,974)	1,738,606
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**27,346,831**	**27,921,199**

Accompanying notes are an integral part of these financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF YEAR END FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 2024	Audited 2023
PROFIT OR LOSS			
Revenue	18	65,714,586	64,019,531
Cost of Sales (-)	18	(50,916,656)	(51,329,862)
GROSS PROFIT		**14,797,930**	**12,689,669**
Marketing Expenses (-)	19	(13,832,775)	(12,719,504)
General Administrative Expenses (-)	19	(1,756,391)	(1,711,843)
Other Income From Main Operations	21	573,496	583,592
Other Expenses From Main Operations (-)	21	(4,955,571)	(3,236,722)
OPERATING LOSS		**(5,173,311)**	**(4,394,808)**
Expense From Investment Activities	22	(22,959)	(434,848)
OPERATING LOSS BEFORE FINANCE EXPENSES		**(5,196,270)**	**(4,829,656)**
Finance Income	23	73,464	69,080
Finance Expenses (-)	24	(4,119,853)	(2,046,246)
Monetary Gain	31	5,921,401	8,127,065
(LOSS) / PROFIT FROM CONTINUING OPERATIONS BEFORE		**(3,321,258)**	**1,320,243**
Continuing Operations Tax Income		**470,284**	**418,363**
- Deferred Tax Income	25	470,284	418,363
NET (LOSS) / PROFIT FOR THE PERIOD		**(2,850,974)**	**1,738,606**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		**(191,090)**	**(301,085)**
- Defined benefit plans remeasurement losses	13	(254,785)	(401,447)
- Defined benefit plans remeasurement losses, tax effect	25	63,695	100,362
OTHER COMPREHENSIVE LOSS		**(191,090)**	**(301,085)**
TOTAL COMPREHENSIVE (LOSS) / INCOME		**(3,042,064)**	**1,437,521**
Profit per share (1 TRY per share)			
Basic profit per share			
Profit per share from continued operations		(22.3127)	13.6069
Total basic earnings per share	26	**(22.3127)**	**13.6069**
Diluted profit per share			
Diluted profit per share from continued operations		(22.3127)	13.6069
Total diluted profit per share		**(22.3127)**	**13.6069**

Accompanying notes are an integral part of these financial statements.

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

				Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit or Loss		Retained Earnings		
(Note 17)	Share Capital	Inflation Adjustment Differences to Share Capital	Share Issue Premium / Discounts	Losses on Remeasurement of Defined Benefit	Restricted Reserves Appropriated from Profit	Accumulated Deficit	Net Profit / (Loss) for the Period	Total Shareholders' Equity
Balance at 1 January 2023	**127,774**	**18,425,758**	**2,825,088**	**(591,849)**	**167,842**	**(16,638,210)**	**1,676,092**	**5,992,495**
Transfers	-	-	-	-	-	1,676,092	(1,676,092)	-
Total comprehensive income	-	-	-	(301,085)	-	-	1,738,606	1,437,521
Balances at 31 December 2023	**127,774**	**18,425,758**	**2,825,088**	**(892,934)**	**167,842**	**(14,962,118)**	**1,738,606**	**7,430,016**
Balance at 1 January 2024	**127,774**	**18,425,758**	**2,825,088**	**(892,934)**	**167,842**	**(14,962,118)**	**1,738,606**	**7,430,016**
Transfers	-	-	-	-	-	1,738,606	(1,738,606)	-
Total comprehensive income	-	-	-	(191,090)	-	-	(2,850,974)	(3,042,064)
Balances at 31 December 2024	**127,774**	**18,425,758**	**2,825,088**	**(1,084,024)**	**167,842**	**(13,223,512)**	**(2,850,974)**	**4,387,952**

Accompanying notes are an integral part of these financial statements

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

STATEMENT OF CASH FLOWS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	Audited 1 January- 31 December 2024	Audited 1 January- 31 December 2023
Net profit for the period		**(2,850,974)**	**1,738,606**
Adjustments to reconcile net profit for the period		**5,792,879**	**3,381,945**
- Adjustments to depreciation and amortization expenses	9, 10, 11	3,372,391	3,030,922
- Adjustments to provisions	13	124,908	60,282
- Adjustments to interest income	23	(43,391)	(69,080)
- Adjustments to interest expense	24	4,056,300	2,046,246
- Adjustments to foreign exchange income / loss	23, 24	33,480	--
- Impairment provision, net	22	22,959	67,237
- Change in provision for unused vacation liability		5,220	4,208
- Provision for employment termination benefit	13	393,043	362,335
- Adjustments to impairment (reversal) of receivables	5	27,245	4,336
- Adjustments to provision for impairment (reversal) on inventory	7	(7,584)	5,661
- Tax income	25	(470,284)	(418,363)
- Goodwill impairment provison expenses	22	--	367,611
- Adjustments to monetary gains and losses		(1,721,408)	(2,079,450)
Changes in working capital:		**(678,917)**	**120,660**
- Increase in trade receivables, including collection from doubtful receivables		(215,749)	(512,654)
- Decrease / (increase) in inventories		110,947	(765,193)
- Decrease / (increase) due from related parties		32,052	(52,166)
- Decrease in other receivables from third parties		354,481	149,362
- Decrease in prepaid expenses		6,850	5,888
- Increase in other short term payables to third parties		599	39,431
- (Decrease) / increase in other short term payables due to related parties		(5,379)	10,039
- (Decrease) / increase in trade payables to third parties		(916,782)	790,153
- (Decrease) / increase in trade payables due to related parties		49,794	159,298
- (Decrease) / increase in employee benefit liabilities		(76,134)	346,860
- (Decrease) in other current liabilities		(19,596)	(50,358)
Cash received from operating activities		**2,262,988**	**5,241,211**
- Employee termination benefits paid	13	(305,243)	(520,450)
Net cash received from operating activities		**1,957,745**	**4,720,761**

Accompanying notes are an integral part of these financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

STATEMENT OF CASH FLOWS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

	Notes	Audited 1 January- 31 December 2024	Audited 1 January- 31 December 2023
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment	10	(832,916)	(1,244,745)
- Acquisition of intangible assets	11	(191,150)	(258,846)
- Proceeds from sale of tangible and intangible assets		54,810	97,791
Net cash used in investing activities		**(969,256)**	**(1,405,800)**
CASH FLOWS FROM FINANCING ACTIVITIES			
- Proceeds from bank borrowings	4	12,187,433	3,145,331
- Repayment of borrowings		(8,208,396)	(2,925,982)
- Repayment of finance lease payables	4	(1,753,608)	(1,637,313)
- Interest paid		(2,918,866)	(1,224,197)
- Interest received	23	43,391	69,080
Net cash used in financing activities		**(650,046)**	**(2,573,081)**
Increase in cash and cash equivalents		**338,443**	**741,880**
Cash and cash equivalents at the beginning of the year		**2,463,679**	**2,837,060**
- Inflation impact on cash and cash equivalents		(757,282)	(1,115,261)
Cash and cash equivalents at the end of the year	**3**	**2,044,840**	**2,463,679**

Accompanying notes are an integral part of these financial statements.

1. ORGANISATION AND NATURE OF OPERATIONS

CarrefourSA Carrefour Sabancı Ticaret Merkezi Anonim Şirketi ("The Company") was established in 1991 to operate in the hypermarket and supermarket sectors in Turkey. The registered address of the Company is Cevizli Mahallesi, Tugay Yolu Caddesi No:67 A, B Blok Maltepe / İstanbul.

As at 31 December 2024, number of personnel of the Company is 10,672 (31 December 2023: 10,519).

As of 31 December 2024, the Company has 21 hypermarkets, 530 frachises and 674 supermarkets (31 December 2023: 22 hypermarkets, 341 franchise, 683 supermarkets).

The main and ultimate controlling shareholders of the Company are Hacı Ömer Sabancı Holding A.Ş. and Carrefour Nederland BV, respectively.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation

(a) Statement of compliance with Turkish Financial Reporting Standards ("TFRS")

The accompanying financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the Communiqué numbered II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The financial statements are presented in accordance with the formats determined in the "Announcement on the TRFS Taxonomy" published by the POA on 3 July 2024 and Financial Statement Examples and User Guide published by the CMB.

Approval of financial statements:

The financial statements are approved by the Company's Board of Directors on 24 February 2025. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these financial statements.

(b) Basis of measurement

These financial statements have been prepared in accordance with the "TAS 29 Financial Reporting in Hyperinflationary Economies" standard, with monetary assets and liabilities, and on the historical cost basis adjusted for the effects of inflation on the Turkish Lira at the reporting date.

(c) Presentation and functional currency

These financial statements are presented in Turkish Lira ("TL"), which is the functional currency of the Company. All financial information presented in TL is expressed in thousand of TL with the purchasing power as of 31 December 2024, otherwise stated.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(contiuned)

2.2 Financial Reporting in Hyperinflationary Economies

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies".

TAS 29 applied to the financial statements, including the financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

In this framework, while preparing the financial statements dated 31 December 2023 inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.2 Financial Reporting in Hyperinflationary Economies (continued)

- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.
- The impact of inflation on the Company's net monetary asset position for the current period has been recognized in the income statement under the account of 'net monetary position gains/(losses)' (Note 31).

The impact of application of TAS 29 "Inflation Accounting" is summarized below:

<u>Restatement of the Statement of Financial Position</u>

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

<u>Restatement of the Statement of Profit or Loss</u>

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

The cost of inventory sold has been adjusted using the restated inventory balance.

Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

<u>Restatement of the Statement of Cash Flows</u>

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

<u>Comparative Amounts</u>

Relevant amounts for the prior reporting period are restated by applying the relevant price index coefficients so that the comparative financial statements are presented in the current purchasing power at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the current purchasing power at the end of the reporting period.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.3 Changes in accounting policies, comparative information and restatement of prior periods' financial statements

To allow for the determination of the financial situation and performance trends, the Company's financial statements have been presented comparatively with the previous period. The Company presented its balance sheet as of 31 December 2024 comparatively with the balance sheet as of 31 December 2023; its statements of comprehensive income, its statements of cash flow and its statements of change in shareholders' equity as of 31 December 2024 comparatively with the financial statements as of 31 December 2023. When necessary, comparative figures are reclassified in order to comply with the presentation of the current period financial statements and material differences are disclosed.

Accounting policies have been applied consistently by the Company in all periods presented in the financial statements. Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated.

2.4 Changes in Estimates and Error

If the changes in accounting estimates are related with a specific period, they are applied in the period they are related with and if the changes are related with the future periods, they are applied both in the period the change is made and prospectively in the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated. The assumptions and significant accounting estimates used in the preparation of the 31 December 2024 financial statements have not changed compared to those used in the previous year.

2.5 Summary of Significant Accounting Policies

The accounting policies described below have been consistently applied by the Company in all periods presented in the financial statements.

2.5.1. <u>Revenue</u>

<u>General model for accounting of revenue</u>

In accordance with TFRS 15, a five-stage approach is followed in recognizing revenue for all contracts with customers.

Step 1: Identify the contract with a customer

A contract is considered within the scope of TFRS 15 only if it is legally enforceable, collectable, rights and payment terms for goods and services are identifiable, the contract has commercial substance, the contract is approved by the parties, and the parties undertake to fulfill their obligations.

The Company treats the contracts as a single contract when there is only one obligation under the contracts, when contracts are negotiated as a single trade package, or when a contract is dependent on the goods or services (or part of the goods or services) by another contract.

Step 2: Identify the performance obligations in the contract

The Company defines the "performance obligation" as an account unit for the recognition of revenue. The Company evaluates the goods or services committed in a contract with the customer and determines each commitment made to the customer as a performance obligation to transfer one of the following:

(a) good or service (or a bundle of goods or services) that is distinct; or

(b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.1. Revenue (continued)

The Company may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity determines whether the goods or services (or bundle of goods or services) is a single performance obligation.

Step 3: Determination of transaction price

The Company evaluates how much it expects to obtain after fulfilling its contractual obligation to determine the transaction price. In making the assessment, it considers whether the contract contains elements related to variable amounts and an important financing component.

Significant financing component

If the contract contains a significant financing component, to estimate the transaction price in a contract, the Company adjusts the promised amount to reflect the time value of money. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer. The Company does not have sales transactions which includes significant financing component.

Variable consideration

The Company assesses whether the contract includes discounts, rebates, refunds, rights of return, credits, price concessions, incentives, performance bonuses, penalties, or similar items may result in variable consideration.

Step 4: Allocate the transaction price to the performance obligations in the contract

The transaction price is allocated to each performance obligation – generally each distinct good or service – to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer. If there are no directly observable stand-alone selling prices available, the total price in the contract is distributed on the basis of expected cost plus profit margin.

Step 5: Recognition of revenue

An entity recognizes revenue over time when one of the following criterias are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

For each performance obligation that is satisfied over time, an entity applies a single method of measuring progress toward complete satisfaction of the obligation. The company uses a method that reliably measures the obligation performed. To do this, an entity selects an appropriate output or input method. It then applies that method consistently to similar performance obligations and in similar circumstances.

If a performance obligation is not fulfilled on time, then the Company recognizes revenue when the control of goods or services is transferred to the customer.

In cases where the cost to be incurred by the Company exceeding the expected economic benefits to be incurred to fulfill the contractual obligations, the Company provides a provision in accordance with TAS 37 Provisions, Contingent Liabilities and Contingent Assets.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.1. Revenue (continued)

Contract modifications

If the Company commits to providing an additional good or service, it accepts the change of contract as a separate contract. In case of termination of the existing contract and creation of a new contract, relevant changes are recognized if the goods or services offered are different. If the modification to the contract does not create separate goods or services, the entity shall account for it by combining the additional goods or services with the original contract as if they were part of the original contract.

The details of important accounting policies regarding the various goods and services of the Company and revenue accounting methods are given below.

i) Retail sales revenues

The Company's retail sales revenues are recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Since the Company generally carries out retail sales with cash or credit cards and customers obtain control of the goods as sales are realized, revenue is recognized at the time of sale.

ii) Revenues from rental income

The Company's revenues from trade centers consists of rental income arising from rent contracts with tenants. Such rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease. The Company sold its trade center in June 2018, from which it obtained a significant portion of its rental income.

iii) Customer royalty programme

The Company operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases.

The reward points are considered as a separable part of the initial sale and the fair value of the reward points and other parts of the sale are allocated, and the portion of the reward points is accounted for as deferred income. Revenue from the reward points is recognised when the points are redeemed. In line with predetermined rates, the revenue from reward points is recognized periodically.

iv) Franchise revenue

Franchise revenues consist of the revenues obtained from the sales of the products by the Company to its dealers to sell at their branches and royalty fees. The Company recognizes the turnover premium expenses arising from its contracts with its dealers as a deduction from the relevant revenue amounts on an accrual basis in the same period.

2.5.2. Inventories and cost of sales

Inventories are stated at the lower of cost or net realizable value. The cost of inventories includes all acquisition costs and other costs incurred in bringing the inventories to the Company's stores and warehouses. Inventories are valued using the moving weighted average cost method. Borrowing costs are not included in cost of inventory. Expenses are recognized when the costs for the shipment of inventories from warehouses to stores are incurred. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The Company calculates the impairment of inventory based on the past experience of statistical results of slow-moving non food inventory.

The turnover premiums arising from the contracts of the Company with its suppliers and the discounts received from vendors are recognized on an accrual basis during the period in which the vendors benefit from the services and are recognized in cost of goods sold.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.3 Plant, property and equipment

(i) Accounting and measurement

Property, plant and equipment are measured at cost, including borrowing costs, by deducting any accumulated depreciation and any impairment provisions.

When the parts comprising tangible assets have different useful lives, they are accounted for as separate parts (significant parts) of the tangible asset.

Gains or losses arising from the disposal of a tangible asset are recognized in profit or loss.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Legal fees are also included to cost. For qualifying assets, borrowing costs may be capitalized. Such properties are classified to the appropriate categories of property, plant and equipment when they are completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when assets are ready for their intended use.

Other tangible assets consist of equipment other than machinery and equipment.

(ii) Subsequent costs

Subsequent expenditures can only be capitalized in cases where it is possible to transfer the economic benefits that will occur as a result of these expenses to the Company. All other expenses are recognized in expense items in the statement of profit or loss as they occur.

(iii) Depreciation

Items of tangible assest are depreciated as of the day they are currenty usable or, for assets constructed by the Company, on the day these assets are completed and ready for use. Cost of tangible assets are depreciated using the straight-line method over their expected useful lives. Depreciation is generally recognized in profit or loss unless it is included in the carrying amount of another asset.

Based on the average useful lives of property, plant and equipment, the depreciation periods are stated below:

Leasehold improvements	5-28 years
Machinery and equipment	3-10 years
Furniture and fixtures	5 years
Other tangible assets	10-49 years

When a tangible asset is disposed of or when no future economic benefits are expected from its use or sale, it is derecognised. The gain or loss arising from the disposal of plant, property and equipment is determined as the difference between the sales revenue and the book value of the asset and is included in the profit or loss statement. If the book value of an asset is more than its estimated recoverable value, the book value of the asset is reduced to its recoverable value.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of Significant Accounting Policies (Continued)

2.5.4 Intangible Assets and Goodwill

Intangible assets acquired

Intangible assets acquired include software and other rights. Intangible assets are amortized on a straight-line basis over the related assets' estimated useful lives and the amortization costs are reflected in the income statement. The estimated useful life and amortization method are reviewed annually and the effect of any changes in estimates being accounted for on a prospective basis. The estimated useful lives of these assets are 3 to 5 years.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Mentioned costs are amortized over their estimated useful lives.

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives. The estimated useful lives of computer softwares are 3 to 5 years.

Nuisance value

Nuisance value consists of price of the stores purchased by the Company that exceed the fair value of the assets. Nuisance value is recognized under intangible assets and amortized during the contract period.

Goodwill

Goodwill arising from the acquisition of a subsidiary is the portion of the consideration paid in excess of the fair value of net identifiable assets, liabilities and contingent liabilities in the acquiree and the non-controlling interest in the acquiree.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arises. Each unit or group of units to which the goodwill is allocated is the smallest asset group of the entity in which the goodwill is monitored for managerial purposes.

Goodwill impairment is reviewed annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.5 Financial Leases Transactions

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in TFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

a. As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.5 Financial Leases Transactions (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and 12 months and shorter leases, including machines and IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b. As a lessor

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

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies TFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other revenue.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from TFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.6 Financial Instruments

i) Recognition and measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI – equity investment, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- the purpose of the business model; manage daily liquidity needs, maintain a certain interest rate, or align the maturity of financial assets with the maturity of the debts that fund these assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.6 Financial Instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of contractual cash flows (i.e. trigger event);
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's contractual rights to receive cash flows from certain assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses (continued)

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.Financial liabilities at fair value through profit or loss are record with their fair value and evaluate with fair value as of balance sheet date. Change in the fair value is recognized in income statement. Recognized income or loss includes the paid interest for the financial liabilities. As of the balance sheet date, the Company does not have any financial liabilities at fair value through profit or loss.Gains or losses arising from the derecognition of such liabilities are recognized in profit or loss.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.6 Financial Instruments (continued)

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting financial assets and liabilities

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

v) Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. As at 31 December 2024 and 31 December 2023 the Company does not have any derivative financial instruments.

2.5.7 Borrowing Costs

Borrowing costs directly or indirectly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.8 Impairment of Assets

Non-derivative financial assets

Financial instruments and contract assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- Debt instruments determined to have low credit risk at the reporting date; and
- Other debt instruments and bank balances for which the credit risk (ie, the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are expected credit losses from all possible default events over the expected life of financial instruments.

12-month expected credit losses are that result from possible default events within the 12 months after the reporting date.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.8 Impairment of Assets (continued)

Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

In other words, they are credit losses measured over the present value of all cash deficits. (for example, the difference between the cash inflows to the business based on the contract and the cash flows the business expects to collect)

Cash deficit is the difference between the cash flows that must be made to the business according to the contract and the cash flows that the business expects to receive. Since the amount and timing of the payments are taken into consideration in the expected credit losses, a credit loss occurs even if the company expects to receive the entire payment late than the term specified in the contract. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss.

Write-off

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery.

For individual customers, if the financial asset is over 180 days past due to the Company 's historical experience with regard to the recovery of similar assets, there is a disengagement policy based on the gross book value of the financial asset. For corporate customers, the Company makes an assessment of the timing and the amount to be deducted, based on whether there is a reasonable recovery expectation individually. The Company does not expect a significant recovery regarding the amount deducted from the record.

However, the recorded financial assets may still be subject to implementation activities in order to comply with the Company 's procedures regarding the recovery of overdue amounts.

Non-financial assets

In each reporting period, the Company reviews the book values of its non-financial assets (excluding investment properties, stocks and deferred tax assets) to determine if there are any signs of impairment. If such an indicator exists, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually (Note 12).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.8 Impairment of Assets (continued)

Non-financial assets (continued)

The Company examines the book value of its tangible and intangible assets to determine whether there are impairments in each reporting period and subordinates its stores to impairment tests for certain periods during the year and records the portion of cash generating unit exceeding the recoverable value of the recognited value as impairment expense (Note 10 and Note 11).

For impairment testing, assets are grouped by the smallest group of assets generating cash inflows, regardless of continued use, cash inflows from other assets or cash-generating units (“CGU”). Goodwill arising from a business combination is allocated to CGUs or CGU groups that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash generating unit (“CGU”) is the higher of its value in use and its fair value is sold at lower costs. The value in use is based on the time value of money and the estimated future cash flows that are reduced to their present value using the pre-tax discount rate that reflects the current market assessments of the asset or risks specific to CGU.

If an asset or CGU's recoverable amount is lower than its book value, the carrying value of that asset or CGU is reduced to its recoverable amount. Impairment losses are recognized in profit or loss. First, it will reduce the book value of any goodwill distributed to CGU, and then it is distributed by reducing the book value of other assets in CGU.

Impairment loss related to goodwill is not canceled. Impairment loss for other assets is reversed only if the impairment is not determined, after the impairment or amortization is deducted, the book value of the asset does not exceed the book value specified.

2.5.9 Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Some changes in the fair value of the contingent consideration that the acquirer recognizes after the acquisition date may be the result of additional post-acquisition information about circumstances existing at the acquisition date. Such changes are measurement period adjustments. However, changes resulting from events after the merger date, such as meeting an earnings target, reaching a specific share price, or reaching a milestone in a research and development project, are not measurement period adjustments.

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 31 December 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.9 Business Combinations (continued)

The acquirer accounts for the changes in the value of the contingent price that do not have a measurement period adjustment as follows:

(a) Contingent consideration that is classified as equity is not measured again and the subsequent payment made is accounted within the equity.

(b) Other contingent consideration;

(i) In the context of TFRS 9, the contingent consideration is measured at its fair value at each reporting date and changes in its fair value are included in the financial statements in profit or loss in accordance with TFRS 9.

(ii) In the absence of TFRS 9, the contingent consideration is measured at its fair value at each reporting date and changes in its fair value are included in the financial statements in profit or loss.

The acquirer recognizes the goodwill as of the date of merger as the fair value of the equity share in the acquired business previously held at the merger date of the acquisition and the net assets of the acquired business in the determined net assets.

The transferred amount may include assets or liabilities of the acquirer, whose book values differ from their fair values at the date of merger (for example, non-monetary assets or a business of the acquirer). If this is the case, the acquirer re-measures the fair values of the transferred assets or liabilities as of the merger date and accounts for the resulting gains or losses in profit or loss. However, sometimes the transferred assets or liabilities remain in the merged business after the business combination (for example, if assets or liabilities were transferred to the acquired business instead of the former owners) and the acquirer continues to have control of the assets or liabilities in question.

In internal transactions, balances and unrealized gains arising from transactions with group businesses are eliminated. Unrealized losses are also eliminated. When necessary, the amounts reported by the affiliates are adjusted to comply with the group's accounting policies.

2.5.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into Turkish Lira at the rates of exchange ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Foreign currency denominated non-monetary assets and liabilities measured at fair value are translated into the functional currency at the exchange rate on the date the fair value was determined in foreign currency. Gains and losses arising on settlement and translation of foreign currency items are included in the statements of income.

Non-monetary items measured at historical cost in foreign currencies are translated at the exchange rate at the date of the transaction.

As of 31 December 2024 and 2023, [Euro / TL] and [US Dollar / TL] exchange rates are as follows:

	31 December 2024	31 December 2023
Euro / TL	36.7362	32.5739
US Dollar / TL	35.2803	29.4382

2.5.11 Earnings/Loss Per Share

Earnings/loss per share is the portion of the net profit or loss that accounts for the common share, which divided by the weighted average unit of common share (Note 26). In Turkey, companies, can increase their capitals by the “bonus share” method that they distributed from the prior year profits. This type of “bonus share” distribution, is considered as issued share in the earnings per share calculations. Accordingly, weighted average share amount used in this calculations are computed by considering the prior effects of the distributed shares as well.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.12 Events After The Balance Sheet Date

Events after the reporting date cover the events which arise between the reporting date and the balance sheet date that have positive or negative effects over the Company. Should any evidence come about events that were prior to the reporting date or should new events come about they will be explained in the relevant footnote. The Company restates its financial statements if such subsequent events arise which require to adjust financial statements.

2.5.13 Provisions, Contingent Liabilities, Contingent Assets

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation.The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

2.5.14 Restructuring Provisions

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.5.15 Related Parties

A party is related to an entity if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- (i) Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- (ii) Has an interest in the entity that gives it significant influence over the entity; or
- (iii) Has joint control over the entity;

(b) The party is an associate of the entity;

(c) The party is a joint venture in which the entity is a venture;

(d) The party is a member of the key management personnel of the entity or its parent;

(e) The party is a close member of the family of any individual referred to in (a) or (d);

(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or;

(g) The party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.16 Current period tax expense and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively (Note 25).

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Company calculates deferred tax liability for all taxable temporary differences related to its subsidiaries, if the offset time of taxable temporary differences could be controlled and the offset of taxable temporary differences is probable in a foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.5.17 Employee Benefits/ Retirement Pay Provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard 19 (revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognised in the balance sheet represents the net present value of the total due to retirement of all employees. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Retirement pay provision is not legally subject to any funding.

The Company has made changes in its assumptions made for the utilization rate related to the probability of entitlement used in calculating the provision for severance pay after 1 January 2018. As a result of the aforementioned amendment, different rates have been determined for the probability of seniority entitlement, separately for the employees of the headquarters and store employees, and for different age ranges. Accordingly, the following actuarial assumptions are used to calculate the total long-term allowance:

	2024	2023
Discount rate per annum (%)	3.05	3.00
Probability of retirement (%)	77.20	76.67

The principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of full TL 46,655.43 (1 January 2024: Full amount with the purchasing power on the relevant date TL 35,058.58) which is effective from 1 January 2025, has been taken into consideration in calculating the Company's provision for employment termination benefits.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 Summary of Significant Accounting Policies (continued)

2.5.18 Statement of Cash Flow

In statement of cash flow, cash flows are classified according to operating, investment and finance activities. Cash flows from operating activities reflect cash flows generated from fast-moving consuming goods sales and rent income of the Company.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

2.5.19 Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.5.20 Deferred revenue

Both due to sales contracts and other reasons, such as advances received from customers or other persons, all or part of the amount is collected in the current period or accrued as receivables, but the income belonging to future periods.

2.5.21 Prepaid expenses

Amounts generally made to suppliers and to be transferred to expense and cost accounts in a later period (or periods) are shown in prepaid expenses.

2.5.22 Other income and expenses from main operations

Other operating income consists of concessions for rent payments, income from rental agreement termination, foreign exchange gains arising from monetary financial assets and liabilities other than debt instruments, provisions no longer required and other income related to main operations.

Other operating expenses consist of interest expenses from purchases via credit, foreign exchange expenses arising from monetary financial assets and liabilities other than debt instruments, provision expenses and other expenses related to main operations.

2.5.23 Income and expenses from investment activities

Income and expenses from investment activities consist of profits or losses from sales of tangible and intangible assets and subsidiaries.

2.5.24 Finance income and finance costs

Financing income consists of interest income on bank deposits, which form part of the cycle used for financing, and foreign exchange income on financial assets and liabilities (other than trade receivables and payables).

Financial expenses include interest expenses on bank loans and lease liabilities, credit card commission expenses and foreign exchange expenses on financial assets and liabilities (other than trade receivables and payables).

2.6 Significant Accounting Estimates and Assumptions

The preparation of financial statements requires the Company management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, necessary adjustments are made and reflected in the profit or loss statement in the period they are realized.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.6 Significant Accounting Estimates and Assumptions (continued)

2.6.1 Impairment Test of Goodwill

As mentioned in Note 2.5.4 and Note 2.5.8, goodwill is reviewed for the impairment by the management. The recoverable amount of such cash-generating units is calculated according to the value in use. These value-in-use calculations include discounted after-tax cash flow projections in TL. The related projections are based on the long term plans including years between 2025-2029, which are approved by the management. In long-term growth plans, growth rate of 8,7% was taken into consideration (31 December 2023: 7%). The discount rate as of 31 December 2024, used for the calculation of value-in-use amount is between 36.5% - 16.1% (31 December 2023: 31.8%). That discount rate used is after tax discount rate and includes specific risks of the Company (Note 12). The 1% change in the discount rate used does not cause an impairment in the goodwill.

2.6.2 Provisions

As mentioned in Note 2.5.13, provisions are recognized when the Company has a legal obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. In that scope, as of 31 December 2024 the Company evaluated the current risks and booked related provisions (Note 13).

2.6.3 Deferred Tax Asset

The Company recognizes deferred tax asset and liability on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Under current circumstances, the partial or complete recoverable amounts of deferred tax assets are predicted. During the evaluation, future profit projections, current year's losses, unused losses and the expiration dates of other tax assets, and if necessary tax planning strategies are considered. Based on the data obtained, if the Company's taxable profit, which will be obtained in the future, is not enough to fulfill the deferred tax assets, a provision is provided either for the whole or for a certain part of the deferred tax asset. As of 31 December 2024 and 2023, after the necessary evaluations, the deferred tax assets are fully accounted because of expectation of taxable profit in the future.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods. Deferred tax assets consisting of tax losses are recognized on the condition that it is highly probable that these differences will be benefited from in the future by earning taxable profits.

2.6.4 Going Concern Assumption

The financial statements have been prepared on the basis of the going concern assumption, assuming that the Company will benefit from its assets and fulfill its liabilities in the next year within the natural course of its business. As of 31 December 2024, the Company's current liabilities exceeded its current assets by TL 7,770,002. The Company's net loss for the year 2024 is TL 2,850,974. The Company management expects an increase in net profit along with the increase in operating profit in its budget and forecast studies. To achieve this goal, the focus areas are franchise, e-commerce and wholesale-corporate sales, as well as cost savings in line with the asset-light strategy. Therefore, the Company management does not expect any risk to the net working capital of the business as a going concern.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.6 Significant Accounting Estimates and Assumptions (continued)

2.6.5 Segment Reporting

Operating segments are evaluated in accordance with the internal reporting provided to the boards or individuals authorized to make decisions regarding the Company's activities. The boards and individuals making strategic decisions to allocate resources and evaluate performance of operating segments are defined as the Company's senior managers. The Company's senior managers make strategic decisions in a way that covers all of the Company's activities, considering that the Company operates in a single area and region. Therefore, in accordance with the

relevant provisions in TFRS 8, "Operating Segments", the Company has a single reportable operating segment and financial information is not reported according to operating segments.

2.7 New and Amended Turkish Financial Reporting Standards

Amendment that are mandatorily effective from 2024 are as follows:

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TAS 1 Non-Current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

Amendments add disclosure requirements, and "signposts" within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance agreements.

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.7 New and Amended Turkish Financial Reporting Standards (continued)

TSRS 2 Climate Related Disclosures

TSRS 2 sets out overall requirements for identifying, measuring and disclosing information about climate-related risks and opportunities opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS. Other entities may voluntarily report in accordance with TSRS.

The Company is within the scope of the application as it meets the criteria specified in the Board Decision. There is no obligation for companies in the scope to submit comparative information in the first reporting period, and the first year's sustainability report can be published after the financial reports for that period. The Company's fully compliant report with TSRS is aimed to be published in August 2025, as it is required to be declared within nine months of 2025.

New and revised in issue but not yet effective

The Company has not yet adopted the following standards, amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendsments to TFRS 17	*Inıtial Application of TFRS 17 and TFRS 9 – Comparative Information*
Amendments to TAS 21	*Lack of Exchangeability*

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2026.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9-Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

Amendments to TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

It is not expected that these standards, amendments and interpretations will have a significant impact on the Company's financial position and performance.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

3. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	85,487	159,433
Cash in transit (*)	256,079	149,551
Credit card receivables (**)	1,013,972	1,408,996
Banks		
Demand deposit	689,302	745,699
	2,044,840	2,463,679

(*) Cash in transit consists of bank balances that has not been reflected into deposit due to value-date difference.
(**) The collection period for credit card receivables is less than three months.

Related party balances in cash and cash equivalents are stated in Note 27.

As of 31 December 2024 and 2023, the Company does not have any time deposits.

The Company does not have any blocked deposits as at 31 December 2024 and 2023.

The Company's exposure to currency and interest rate risks and relevant sensitivities for cash and cash equivalents are disclosed in Note 28.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

4. FINANCIAL LIABILITIES

Short Term Financial Liabilities	31 December 2024	31 December 2023
Short Term Financial Liabilities from Related Parties		
Bank loans with fixed interest rates (*) (Note 27)	-	74,628
Other Short Term Financial Liabilities		
Bank loans with fixed interest rates (*)	4,116,216	697,271
Bank loans with variable interest rates (*)	-	416,057
Bond issuance (*/**)	1,117,972	-
Sukuk issuance (*/**)	-	697,065
	5,234,188	1,885,021

Other Short Term Financial Liabilities	31 December 2024	31 December 2023
Credit Card Liabilities to Third Parties	619,821	315,880
	619,821	315,880

Short Term Portion of Long Term Financial Liabilities	31 December 2024	31 December 2023
Lease payables	792,933	664,909
	792,933	664,909

Long Term Financial Liabilities	31 December 2024	31 December 2023
Lease payables	2,456,347	2,605,716
	2,456,347	2,605,716

(*) As at 31 December 2024 and 2023 the details of short term bank loans and sukuk/bond issuance are as follows:

Currency	Interest Rate (i)	31 December 2024
TRY (Fixed interest rate)	49,94%	4.510.000
EUR (Fixed interest rate)	6,77%	202.049
	Interest accrual	522.139
		5.234.188

Currency	Interest Rate	31 December 2023
TRY (Fixed interest rate)	43,26%	1.376.653
TRY (Variable interest rate)	33,26%	360.948
	Interest accrual	147.420
		1.885.021

(i) The interest rate was calculated by the weighted average method.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

4. FINANCIAL LIABILITIES (continued)

(**) The Company issued sukuk amounting to TL 190,000 on 8 November 2023 with a maturity of 364 days and an interest rate of 48% and on 28 September 2023, an amount of TL 190,000 with a maturity of 179 days and an interest rate of 48% (expressed in purchasing power as of the transaction date). The Company has made bond issuance on 13 August 2024, amounting to TL 400,000 with a maturity of 365 days, 53% fixed interest and redemption date of 13 August 2025; on 26 August 2024, amounting to TL 250,000 with a maturity of 182 days, 52.00% fixed interest and redemption date of 25 February 2025; on 1 October 2024, amounting to TL 300,000 with a maturity of 175 days, 50.5% fixes interest and redemption date of 25 March 2025.

The Company's lease obligations represent the present value of the future payables of the stores, vehicles and buildings that are leased from third parties through their useful lives.

The repayment schedule of long-term borrowings as of 31 December 2024 and 2023 in TL equivalent is as stated below:

	31 December 2024	31 December 2023
To be paid within 1-2 years	170,052	226,596
To be paid within 2-3 years	119,019	146,657
To be paid within 3-4 years	75,063	92,697
To be paid within 4-5 years	57,888	88,417
To be paid within 5 years and beyond	2,034,325	2,051,349
	2,456,347	2,605,716

The reconciliation of the Company's obligations arising from its operating lease liability is as follows:

	31 December 2024	31 December 2023
1 January lease liabilities	3,270,625	3,251,721
Current period additions	2,044,828	2,496,864
Current period lease payments	(1,753,608)	(1,637,313)
Current period interest expenses (Note 24)	796,195	839,814
Inflation impact	(1,108,760)	(1,680,461)
31 December lease liabilities	3,249,280	3,270,625

The reconciliation of the Company's obligations arising from its borrowings is as follows:

	31 December 2024	31 December 2023
1 January borrowings	1,885,021	2,640,510
Current period inflows	12,187,433	3,145,331
Repayment of borrowings	(8,208,396)	(2,925,982)
Change in interest accruals	374,719	(17,766)
Inflation impact	(1,004,589)	(957,072)
31 December borrowings	5,234,188	1,885,021

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

4. FINANCIAL LIABILITIES (continued)

The distribution of the Company's obligations arising from its lease liability by currency is as follows:

	31 December 2024	
Currency	Short-Term	Long-Term
TL	787,269	2,392,244
Euro	5,664	64,103
	792,933	2,456,347

	31 December 2023	
Currency	Short-Term	Long-Term
TL	658,350	2,516,416
Euro	6,559	89,300
	664,909	2,605,716

As of 31 December 2024 and 2023, there are no guarantees given related to the financial borrowings.

The Company's financial liabilities due to related parties are stated in Note 27.

The Company's exposure to foreign exchange risk and liquidity risk related to borrowings is disclosed in Note 28.

As of 31 December 2024 and 31 December 2023, the Company has export commitment for some of the loans has been used.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

5. TRADE RECEIVABLES AND PAYABLES

Trade Receivables	31 December 2024	31 December 2023
Other trade receivables	1,667,926	1,469,316
Rent receivables	11,106	13,188
Expected credit loss	(42,210)	(34,186)
	1,636,822	1,448,318
Due from related parties (Note 27)	66,094	98,146
	1,702,916	1,546,464

The movement of the allowance for expected credit loss for the years ended 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Opening balance	34,186	58,559
Collections	(3,250)	(2,485)
Provisions no longer required	(3,988)	(2,794)
Charge for the period	27,245	4,336
Inflation impact	(11,983)	(23,430)
Closing balance	42,210	34,186

As of 31 December 2024 and 2023, trade receivables due dates vary depending on the sector and company and the average due dates are lower than three months. The Company evaluates the credibility of the receivable and the transactions between the creation time of the receivable and reporting date when considering the collectability of its receivables. As the Company is working with a large number of clients, credit risk of the Company has been scattered and there is no concentrated credit risk.

Details of the Company's exposure to credit risk, currency risk and impairment for trade receivables are disclosed in Note 28.

The guarantees received for the Company's trade receivables are as follows:

	31 December 2024	31 December 2023
Letters of guarantee received for trade receivables	1,154,715	871,925
	1,154,715	871,925

Short Term Trade Payables	31 December 2024	31 December 2023
Trade payables	11,458,920	12,679,372
Accrued expenses	19,107	19,378
Due to related parties (Note 27)	325,667	275,873
	11,803,694	12,974,623

Average payment terms of commoditiy purchase is variying depending on sector and suppliers.
As of 31 December 2024 and 31 December 2023, the average payment term is less than three months.
The Company's exposure to liquidity and foreign currency risk for trade payables are disclosed in Note 28.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

6. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables	31 December 2024	31 December 2023
VAT receivables	67,797	418,929
Receivables from personnel	38,591	23,633
Other receivables	66,451	44,921
	172,839	487,483

Other Long Term Receivables	31 December 2024	31 December 2023
Deposits given	193,933	233,770
	193,933	233,770

The Company's exposure to liquidity and foreign currency risk for other receivables are disclosed in Note 28.

Other Short Term Payables	31 December 2024	31 December 2023
Taxes payables	157,434	143,523
Advances and deposits received	33,233	46,545
	190,667	190,068
Due to related parties (Not 27)	103,441	108,820
	294,108	298,888

The Company's exposure to liquidity and foreign currency risk for other payables are disclosed in Note 28.

7. INVENTORIES

	31 December 2024	31 December 2023
Trade goods	7,810,667	7,921,614
Impairment of inventories	(65,798)	(73,382)
	7,744,869	7,848,232

The movements of allowance for impairment on inventory for the periods ended 31 December 2024 and 2023 are below:

	31 December 2024	31 December 2023
Opening balance	73,382	67,721
Charge of the period	18,428	48,604
Current year reversal	(26,012)	(42,943)
Closing balance	65,798	73,382

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

8. PREPAID EXPENSES

Short Term Prepaid Expenses	31 December 2024	31 December 2023
Prepaid expenses (*)	230,060	183,086
Advances given	23,658	73,786
Prepaid taxes and dues	1,071	1,216
	254,789	258,088
Prepaid expenses to related parties (Note 27)	52,755	51,259
Prepaid expenses	307,544	309,347

Long Term Prepaid Expenses	31 December 2024	31 December 2023
Prepaid expenses	-	4,923
Advances given for tangible assets	2,449	2,573
	2,449	7,496

(*) Prepaid expenses comprise of prepaid rent, insurance and maintenance expenses.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

9. LEASES

	Buildings	Vehicles	Total
Cost			
Opening balance at 1 January 2024	12,630,467	185,131	12,815,598
Additions	2,143,225	89,450	2,232,675
Disposal	(486,132)	-	(486,132)
Closing balance, 31 December 2024	14,287,560	274,581	14,562,141
Accumulated depreciation			
Opening balance at 1 January 2024	(6,868,476)	(185,131)	(7,053,607)
Charge for the period	(2,043,425)	(89,450)	(2,132,875)
Disposal	298,285	-	298,285
Closing balance, 31 December 2024	(8,613,616)	(274,581)	(8,888,197)
Net book value, 1 January 2024	**5,761,991**	**-**	**5,761,991**
Net book value, 31 December 2024	**5,673,944**	**-**	**5,673,944**

	Buildings	Vehicles	Total
Cost			
Opening balance at 1 January 2023	10,269,130	120,119	10,389,249
Additions	2,519,172	65,012	2,584,184
Disposal	(157,835)	-	(157,835)
Closing balance, 31 December 2023	12,630,467	185,131	12,815,598
Accumulated depreciation			
Opening balance at 1 January 2023	(5,109,450)	(120,119)	(5,229,569)
Charge for the period	(1,796,584)	(65,012)	(1,861,596)
Impairment	(32,956)	-	(32,956)
Disposal	70,514	-	70,514
Closing balance, 31 December 2023	(6,868,476)	(185,131)	(7,053,607)
Net book value, 1 January 2023	**5,159,680**	**-**	**5,159,680**
Net book value, 31 December 2023	**5,761,991**	**-**	**5,761,991**

As of 31 December 2024, depreciation expenses arising from right-of-use assets amounting TL 1,941,010 is included in marketing expenses (31 December 2023: TL 1,728,215) and TL 191,865 is included in general administrative expenses (31 December 2023: TL 133,381).

The Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Machinery and Equipment	Furniture and fixtures	Other Tangible Assets	Construction in Progress	Total
Cost						
Opening balance at 1 January 2024	**4,829,322**	**8,141,873**	**122,545**	**1,602,349**	**108,328**	**14,804,417**
Additions	194,574	560,239	8	-	78,095	832,916
Transfers (Note 11)	17,389	89,210	-	-	(107,830)	(1,231)
Disposals (*)	(78,558)	(348,623)	(11,140)	-	(497)	(438,818)
Closing balance, 31 December 2024	**4,962,727**	**8,442,699**	**111,413**	**1,602,349**	**78,096**	**15,197,284**
Accumulated depreciation						
Opening balance at 1 January 2024	**(3,291,825)**	**(6,280,928)**	**(119,014)**	**(808,650)**	**-**	**(10,500,417)**
Depreciation charge of the period	(312,303)	(662,628)	(1,514)	(30,042)	-	(1,006,487)
Impairment	(8,473)	(14,471)	(4)	-	-	(22,948)
Disposals (*)	53,745	322,234	11,120	-	-	387,099
Closing balance, 31 December 2024	**(3,558,856)**	**(6,635,793)**	**(109,412)**	**(838,692)**	**-**	**(11,142,753)**
Net book value, 1 January 2024	**1,537,497**	**1,860,945**	**3,531**	**793,699**	**108,328**	**4,304,000**
Net book value, 31 December 2024	**1,403,871**	**1,806,906**	**2,001**	**763,657**	**78,096**	**4,054,531**

As of 31 December 2024, depreciation expenses arising from property, plant and equipment amounting TL 943,636 is included in marketing expenses (31 December 2023: TL 915,709) and TL 62,851 is included in general administrative expenses (31 December 2023: TL 41,105).

(*) It includes the disposals of the stores that were closed during the period.

As of 31 December 2024, total insurance amount over property, plant and equipment is TL 11,876,351 (31 December 2023: TL 7,280,357). As of 31 December 2024 and 31 December 2023 there is no mortgage on property, plant and equipment.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold improvements	Machinery and Equipment	Furniture and fixtures	Other Tangible Assets	Construction in Progress	Total
Cost						
Opening balance at 1 January 2023	4,408,403	8,131,581	141,182	1,674,538	70,462	14,426,166
Additions	471,964	664,563	-	-	108,218	1,244,745
Transfers (Note 11)	8,087	59,605	-	-	(70,352)	(2,660)
Disposals (*)	(59,132)	(713,876)	(18,637)	(72,189)	-	(863,834)
Closing balance, 31 December 2023	4,829,322	8,141,873	122,545	1,602,349	108,328	14,804,417
Accumulated depreciation						
Opening balance at 1 January 2023	(3,015,222)	(6,346,118)	(134,656)	(779,443)	-	(10,275,439)
Depreciation charge of the period	(305,792)	(616,596)	(2,881)	(31,545)	-	(956,814)
Impairment	(13,415)	(9,768)	(14)	(11,063)	-	(34,260)
Disposals (*)	42,604	691,554	18,537	13,401	-	766,096
Closing balance, 31 December 2023	(3,291,825)	(6,280,928)	(119,014)	(808,650)	-	(10,500,417)
Net book value, 1 January 2023	**1,393,181**	**1,785,463**	**6,526**	**895,095**	**70,462**	**4,150,727**
Net book value, 31 December 2023	**1,537,497**	**1,860,945**	**3,531**	**793,699**	**108,328**	**4,304,000**

(*) It includes the disposals of the stores that were closed during the period.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

11. INTANGIBLE ASSETS

Intangible Assets

Cost	**Rights**	**Other Intangible Assets**	**Total**
Opening balance, 1 January 2024	1,988,066	548,995	2,537,061
Additions	191,150	-	191,150
Transfers (Note 10)	1,231	-	1,231
Disposals	(11,915)	(24,935)	(36,850)
Closing balance, 31 December 2024	2,168,532	524,060	2,692,592
Accumulated amortization			
Opening balance, 1 January 2024	(1,643,987)	(492,287)	(2,136,274)
Charge for the period	(216,682)	(16,347)	(233,029)
Impairment	(11)	-	(11)
Disposals	10,397	23,362	33,759
Closing balance, 31 December 2024	(1,850,283)	(485,272)	(2,335,555)
Net book value, 1 January 2024	**344,079**	**56,708**	**400,787**
Net book value, 31 December 2024	**318,249**	**38,788**	**357,037**

Cost	**Rights**	**Other Intangible Assets**	**Total**
Opening balance, 1 January 2023	1,731,957	562,566	2,294,523
Additions	258,846	-	258,846
Transfers (Note 10)	2,660	-	2,660
Disposals	(5,397)	(13,571)	(18,968)
Closing balance, 31 December 2023	1,988,066	548,995	2,537,061
Accumulated amortization			
Opening balance, 1 January 2023	(1,454,961)	(487,695)	(1,942,656)
Charge for the period	(194,349)	(18,163)	(212,512)
Impairments	(21)	-	(21)
Disposals	5,344	13,571	18,915
Closing balance, 31 December 2023	(1,643,987)	(492,287)	(2,136,274)
Net book value, 1 January 2023	**276,996**	**74,871**	**351,867**
Net book value, 31 December 2023	**344,079**	**56,708**	**400,787**

As of 31 December 2024, amortization expenses arising from intangible assets amounting TL 52,666 is included in marketing expenses (31 December 2023: TL 49,361) and TL 180,363 is included in general administrative expenses (31 December 2023: TL 163,151).

The intangible assets are mainly composed of excess cash paid for asset acquisitions and software programs.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

12. GOODWILL

Goodwill amount is consisted of following investments:

Investments:	31 December 2024	31 December 2023
Gima	2,801,610	2,801,610
Kiler Alışveriş	1,199,297	1,199,297
Alpark	350,777	350,777
	4,351,684	4,351,684

As a result of the impairment analysis on the goodwill amounts as of 31 December 2024, the Company has not identified and recognized impairment (as of 31 December 2023, the Company identified and recognized impairment amounting to TL 367,611).

The movements of allowance for impairment on goodwill the periods ended 31 December 2024 and 2023 are below:

	31 December 2024	31 December 2023
Opening balance at 1 January	4,351,684	4,719,295
Charge for the period (Note 22)	-	(367,611)
Closing balance at 31 December	4,351,684	4,351,684

Impairment losses for the year ending 31 December 2023 are included in the profit or loss statement under other expenses from operating activities.

The Company performed the impairment analysis by using "income approach method (discounted cash flow method)".

The significant assumptions used in the calculation of the recoverable amounts are discount rates and final growth rates (note 2.6.1).

The 1% change in the discount rate used does not cause an impairment in the goodwill.

13. CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions as of 31 December 2024 and 2023 are as follows:

Short Term Provisions	31 December 2024	31 December 2023
Provision for litigations and other risks	140,219	109,088
Provision for personnel and social security litigations	77,817	48,596
	218,036	157,684

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

13. CONTINGENT ASSETS AND LIABILITIES (continued)

The movement of short term provisions for the years ending on 31 December 2024 and 2023 is as follows:

	Provision for risks and litigations	Provision for personnel and social security	Total
Opening balance, 1 January 2024	109,088	48,596	157,684
Charge of the period	81,238	57,869	139,107
Current year reversal	(7,017)	(7,182)	(14,199)
Inflation impact	(43,090)	(21,466)	(64,556)
Closing balance, 31 December 2024	140,219	77,817	218,036

	Provision for risks and litigations	Provision for personnel and social security	Total
Opening balance, 1 January 2023	112,564	69,569	182,133
Charge of the period	59,145	31,816	90,961
Current year reversal	(7,013)	(23,666)	(30,679)
Inflation impact	(55,608)	(29,123)	(84,731)
Closing balance, 31 December 2023	109,088	48,596	157,684

Contingent Assets and Liabilities

There are lawsuits which are filed against the Company and continuing as at balance sheet date. As of 31 December 2024, there are 640 ongoing lawsuits filed against the Company, and a provision has been recognized in the condensed financial statements for the portion of the estimated cash outflow, amounting to TL 185,133. Primary lawsuits consist of the cases with Social Security Institution, debt, rent and labor cases. The remaining amount of TL 32,703 is recognized as other risk provision.

Provisions for employment benefits as of 31 December 2024 and 2023 are as follows:

Short Term Employment Benefits	31 December 2024	31 December 2023
Unused vacation provision	23,057	17,837
	23,057	17,837

Long Term Employment Benefits	31 December 2024	31 December 2023
Employment termination benefit provision	759,522	717,722
	759,522	717,722

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

13. CONTINGENT ASSETS AND LIABILITIES (continued)

Movement for employment termination benefit provision for the periods ending 31 December 2024 and 2023 are as follows:

	2024	2023
Opening balance, 1 January	717,722	946,823
Service cost	227,126	285,041
Interest cost	165,917	77,294
Actuarial loss	254,785	401,447
Paid compensation during the year	(305,243)	(520,450)
Inflation impact	(300,785)	(472,433)
Closing balance, 31 December	759,522	717,722

14. COMMITMENTS

GPMs given by the Company

	31 December 2024	31 December 2023
A. GPMs given on behalf of its own legal entity	1,478,466	1,188,477
B. GPMs given on behalf of consolidated subsidiaries	-	-
C. Total amount of GPMs given on behalf of other third parties' debt	-	-
D. Other GPMs	-	-
i. Total amount of GPMs given on behalf of the Parent	-	-
ii. Total amount of GPMs given on behalf of other group companies not covered in B and C	-	-
iii. Total amount of GPMs given on behalf of third parties not covered in C	-	-
	1,478,466	1,188,477

31 December 2024	Total TRY	TRY	USD (TRY Equivalents)	EUR (TRY Equivalents)
Letter of guarantees	1,478,466	1,467,761	8,642	2,063
	1,478,466	1,467,761	8,642	2,063

31 December 2023	Total TRY	TRY	USD (TRY Equivalents)	EUR (TRY Equivalents)
Letter of guarantees	1,188,477	1,177,849	10,393	235
	1,188,477	1,177,849	10,393	235

As of 31 December 2024, the ratio of other CPMs given by the Company to the Company's equity is 0% (31 December 2023: 0%).

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

15. EMPLOYMENT BENEFITS

Employee Benefit Liabilities	31 December 2024	31 December 2023
Personnel salary and premium payables	387,170	377,563
Payables to personnel and social security premiums payable	192,387	278,128
	579,557	655,691

16. DEFERRED INCOME (EXCEPT LIABILITIES ARISING FROM CUSTOMER CONTRACTS)

Company's deferred income as of 31 December 2024 and 2023 are as follows:

Deferred Income	31 December 2024	31 December 2023
Deferred income (*)	161.887	189.080
Liabilities for shopping cheques	15.729	8.132
	177.616	197.212

(*) Deferred income mainly consists of the amount of shopping cheques, wholesale cards and similar items that have been sold but not yet used by customers.

17. SHAREHOLDERS' EQUITY

a) Capital

Shareholder structure as of 31 December 2024 and 2023 is stated below:

Shareholders	(%)	31 December 2024	(%)	31 December 2023
Hacı Ömer Sabancı Holding A.Ş.	57.12	72,988	57.12	72,988
Carrefour Nederland BV	32.16	41,098	32.16	41,098
Shares publicly held and other	10.72	13,688	10.72	13,688
Nominal share capital	100.00	127,774	100.00	127,774

The share capital of the Company as of 31 December 2024 is TL 127,774 (31 December 2023: TL 127,774) divided into 12,777,376,572 shares (31 December 2023: 12,777,376,572 shares) each worth 1 Kurus.

The inflation adjustment on share capital as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Inflation adjustment to share capital	18,425,758	18,425,758
	18,425,758	18,425,758

As of 31 December 2024 and 31 December 2023, capital adjustment differences amounting to TL 18,425,758 consist of capital adjustment differences resulting from the restatement of the Company's paid-in capital and not deducted from retained losses or added to the capital.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

17. SHAREHOLDERS' EQUITY (continued)

b) Accumulated Deficit

	31 December 2024	31 December 2023
Opening balance	(14,962,118)	(16,638,210)
Transfers	1,738,606	1,676,092
Closing balance	(13,223,512)	(14,962,118)

Differences arising from inflation adjustments, resulting from valuations made within the framework of TFRS principles and were not subject to profit distribution or capital increase as of the report date, were associated with prior years' profits/losses.

c) Restricted Reserves Appropriated from Profit

	31 December 2024	31 December 2023
Legal reserves	167,842	167,842
	167,842	167,842

Restricted reserves appropriated from profit are composed of legal reserves. Legal reserves comprise of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to the Turkish Commercial Code, legal reserves can be only used to offset losses unless they exceed the 50% of paid-in capital. Other than that, legal reserves must not be used whatsoever.

d) Other Comprehensive Income / Expense not to be Reclassified to Profit and Loss

Losses on Remeasurement of Defined Benefit Obligations

As of 31 December 2024, it consists of actuarial losses recognized as other comprehensive income related to employment termination benefit provision amounting to TL 1,084,024 (31 December 2023: TL 892,934).

	31 December 2024	31 December 2023
Actuarial losses	(1,084,024)	(892,934)
	(1,084,024)	(892,934)

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

17. SHAREHOLDERS' EQUITY (continued)

e) Additional Information for Capital, Legal Reserves and Other Equity Items

A comparison of the Company's equity items restated for inflation in the financial statements as of 31 December 2024 and the restated amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation are as follows:

31 December 2024	Inflation adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/TFRS	Differences recognized in accumulated deficit
Inflation Adjustment to Share Capital	19,698,951	18,425,758	1,273,193
Share Issue Premium	7,853,331	2,825,088	5,028,243
Restricted Reserves	427,154	167,842	259,312

18. REVENUE AND COST OF SALES

NET SALES	2024	2023
Revenue from retail operations	54,312,635	55,850,758
Franchise sales	5,446,457	4,037,183
Alternative channel sales	6,835,391	5,015,610
Sales returns	(411,211)	(573,076)
Loyalty program discounts	(266,133)	(157,190)
Sales discount	(323,260)	(272,297)
Sublease income	120,707	118,543
	65,714,586	64,019,531

COST OF SALES	2024	2023
Opening balance of inventories	(7,848,232)	(7,088,698)
Purchases	(50,820,877)	(52,083,735)
Change in inventory impairment, net (Note 7)	7,584	(5,661)
Closing balance of inventories	7,744,869	7,848,232
	(50,916,656)	(51,329,862)

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

19. MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

Operating expenses for the years ended 31 December 2024 and 2023 are as follows:

OPERATING EXPENSES	2024	2023
Marketing expenses	(13,832,775)	(12,719,504)
General administrative expenses	(1,756,391)	(1,711,843)
	(15,589,166)	(14,431,347)

Marketing Expenses	2024	2023
Personnel expenses	(6,813,304)	(6,108,464)
Depreciation and amortization expenses	(2,937,312)	(2,693,284)
Rent expenses	(1,155,149)	(1,094,974)
Energy expenses	(1,066,892)	(1,206,882)
Advertising expenses	(576,503)	(511,075)
Outsourced expenses	(405,831)	(340,662)
Repair and maintenance expenses	(232,274)	(206,310)
Information technologies expenses	(150,143)	(137,480)
Stationery consumption expenses	(101,714)	(126,989)
Insurance expenses	(98,401)	(61,595)
Travel expenses	(62,450)	(39,599)
Taxation and other expenses	(29,526)	(31,032)
Consultancy expenses	(29,441)	(8,889)
Decoration material expenses	(31,800)	(34,215)
Communication expenses	(1,745)	(1,694)
Other	(140,290)	(116,360)
	(13,832,775)	(12,719,504)

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

19. MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES(continued)

General Administrative Expenses	2024	2023
Personnel expenses	(894,657)	(779,473)
Depreciation and amortization expenses	(435,079)	(337,638)
Information technologies expenses	(158,770)	(190,644)
Consultancy expenses	(105,951)	(210,769)
Travel expenses	(57,474)	(70,209)
Advertising expenses	(36,054)	(26,296)
Outsourced expenses	(13,815)	(10,732)
Energy expenses	(11,798)	(15,306)
Insurance expenses	(11,403)	(14,578)
Stationery consumption expenses	(4,591)	(2,191)
Taxation and other expenses	(3,947)	(4,104)
Rent expenses	(2,160)	(2,893)
Communication expenses	(1,480)	(1,389)
Decoration material expenses	(448)	(123)
Repair and maintenance expenses	(142)	(2,069)
Other	(18,622)	(43,429)
	(1,756,391)	(1,711,843)

20. EXPENSES BY NATURE

	2024	2023
Personnel expenses	(7,707,961)	(6,887,937)
Depreciation and amortization expenses	(3,372,391)	(3,030,922)
Rent expenses	(1,157,309)	(1,097,867)
	(12,237,661)	(11,016,726)

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

21. OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

Other operating income/expenses from main operations for the years ended 31 December 2024 and 2023 are as follows:

Other Operating Income	2024	2023
Rediscount income	154,306	162,899
Foreign exchange gain from operational activities	121,853	304,645
Lawsuit income	114,064	-
Franchise income	77,790	51,016
Income from rental agreement termination	17,021	5,201
Provisions released	294	-
Concessions for rent payments	-	154
Other income and profit	88,168	59,677
	573,496	583,592

Other Operating Expenses (-)	2024	2023
Interest expenses on forward purchases (*)	(4,319,330)	(2,432,722)
Foreign exchange losses from operational activities	(92,631)	(193,684)
Bad debt provision	(23,995)	(1,851)
Provision expenses (**)	(16,497)	(22,813)
Interest expenses from operational activities	(3,190)	(5,018)
Reversal of income accural of Competition Authority fine	-	(106,116)
Earthquake donation expenses	-	(3,989)
Other expenses and losses	(499,928)	(470,529)
	(4,955,571)	(3,236,722)

(*) Purchases via credit discounted to the assumed cash value with the TLREF interest rates of the relevant period separately for each month, and as a result, interest expense is calculated. The weighted average interest rate is 49.2% (2023: 20.4%).

(**) Provision expenses are mainly consisting of risk and legal provisions.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

22. EXPENSE FROM INVESTMENT ACTIVITIES

Expense from investment activities for the years ended 31 December 2024 and 2023 are as follows:

	2024	2023
Provision for impairment in fixed assets	(22,959)	(67,237)
Goodwill impairment (Note 12)	-	(367,611)
	(22,959)	(434,848)

23. FINANCE INCOME

Finance income for the years ended 31 December 2024 and 2023 are as follows:

Finance income	2024	2023
Interest income	43,391	69,080
Foreing exchange income	30,073	-
	73,464	69,080

24. FINANCE EXPENSE

Finance costs for the years ended 31 December 2024 and 2023 are as follows:

Finance expense	2024	2023
Interest expenses	(3,028,501)	(1,025,084)
Interest expenses of lease liabilities	(796,195)	(839,814)
Credit card commision expenses	(231,604)	(181,348)
Foreing exchange losses	(63,553)	-
	(4,119,853)	(2,046,246)

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Tax Income / (Expense) of the Period	2024	2023
Corporate tax expense of the current period	-	-
Deferred tax income / (expense)	470,284	418,363
Tax income / (expense) from continuing operations	470,284	418,363

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Corporate tax:

The Company is subject to tax legislation and practices effective in Turkey. Corporate tax is declared by the evening of the last day of the fourth month following the end of the relevant accounting period and is paid in a single installment until the end of the relevant month. Entities are required to calculate temporary tax at the current rate based on their quartery profits, declare it by the 17th day of the second month following the period, and pay it by the evening of the 17th day. Temporary taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return of that year. If temporary tax amount remains despite the offset, this amount can be refunded in cash or offset against other financial debts owed to the State.

In Turkey, the corporate tax rate was applied as 20% to the legal tax base, which was calculated by adding non-deductible expenses to and by deducting the exemptions from the the commercial income in accordance with the tax laws as of 31 December 2022. However, Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and the Decree Law No. 375", which includes the regulation on increase in corporate tax rate to %25, starting from the declerations that must be submitted as of 1 October 2023, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. Therefore, the Company used 25% taxation rate for the calculation of current period's taxation.

Within the scope of this amendment, tax rate used in deferred tax calculation as of 31 December 2024 is %25 (31 December 2023: 25%).

Within the scope of Article 298 of the Tax Procedure Law, the necessary conditions for inflation adjustment on financial statements have been met as of 31 December 31 2021. However, in accordance with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, which was published in the Official Gazette numbered 31734 dated 29 January 2022, and the provisional Article 33 of the Tax Procedure Law numbered 213:

- Regardless of whether the conditions for inflation adjustment within the scope of Article 298, including temporary tax periods, are met or not, duplicate financial statements will not be subject to inflation adjustment in 2021 and 2022 accounting periods and the 2023 temporary tax periods,

- The financial statements as of 31 December 2023 will be subject to inflation adjustment in a way that will not affect the corporate tax base,

has been ruled.

In accordance with the Tax Procedure Law General Communiqué No. 555 published in the 2nd bis Official Gazette dated 30 December 2023 and numbered 32415 and the 298th bis article of the Tax Procedural Law No. 213, the financial statements of entities operating in Turkey, for the 2023 accounting period, are subject to inflation adjustment. These inflation-adjusted financial statements will be opening balance sheet in the tax returns to be prepared as of 1 January 2024, and inflation effects will not be taken into account in the period tax calculation for 2023.

According to temporary Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 December 2023 are included in the deferred tax calculation as of 31 December 2023.

In accordance with the Corporate Tax Law, declared financial losses can be carried forward for a maximum period of five years to offset against future taxable income. Declarations and relevant accounting records can be examined by the tax authorities within five years and tax amounts can be revised.

Dividend payments made to resident joint-stock companies in Turkey, except to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 10% income tax.

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Corporate tax (continued):

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to the capital.

Dividend earnings of corporations from participation in another fully liable corporation are exempt from corporate tax. In addition, 75% of the income derived by entities from the sale of participation shares, immovable property, preferential rights, founders' shares and redeemed shares which are recoginzed in assets at least for two years is exempt from corporate tax. However, according to the amendments with Law numbered 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared starting from 2018. Additionally, with the amendment, as of 15 July 2023, 50% tax exemption for immovable sales profits mentioned in Law No. 5520 has been abolished. However, this exception will be applied as 25% for the sale of immovables before 15 July 2023.

In order to benefit from the exemption, the relevant income should be kept under a fund account in liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Corporate tax returns are file within four months following the close of the accounting year to which they relate. Tax authorities may, however, inspect tax returns and the related accounting records and may revise assessments within five years.

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until 22 December 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the Presidential Decision No. 4936, published in the Official Gazette dated 22 December 2021 and numbered 31697, the withholding tax rate of 15% has been reduced to 10%.

In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Prevention Agreements are also taken into account. The addition of retained earnings to the capital is not considered a profit distribution, therefore it is not subject to withholding tax.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Corporate tax (continued):

Transfer pricing regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered a non-deductible expense for corporate tax.

As of 31 December 2024 and 2023, the Company has no tax liability for the period.

Tax income / (expense) for the years ended 31 December are as follows:

	2024	2023
Deferred tax income / (expense)		
Deferred tax income / (expense) arising from temporary differences	(210,867)	369,794
Deferred tax from prior year losses	681,151	48,569
Tax income / (expense) recognized in profit or loss	**470,284**	**418,363**
Tax income / (expense) recognized in other comprehensive income	63,695	100,362
Total tax income / (expense)	**533,979**	**518,725**

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Deferred Tax Assets and Liabilities:

Deferred tax is calculated on the temporary differences arising between the carrying values of assets and liabilities in the accompanying financial statements and values used in tax base, except for goodwill that is not subject to tax deductions, and first-time asset and liability differences that are not subject to accounting and taxation.

As of 31 December 2024 and 2023, items attributed to deferred tax assets and deferred tax liabilities consist of the following:

The basis for deferred tax timing differences:	2024	2023
Provision for contingencies	291,675	268,624
Provision for impairment in fixed assets	57,239	34,280
Inventory valuation differences	171,544	184,249
Other current assets	366,058	313,630
Provision for employment termination benefit	759,522	717,722
Tangible and intangible assets	(541,286)	50,875
Right of use assets	(5,673,944)	(5,761,991)
Other short term liabilities	172,494	334,341
Lease liabilities	3,249,011	3,270,623
Prior year losses	4,664,858	1,389,369
Cancelled prior year losses	(550,889)	-
Other	(5,303)	23,333
	2,960,979	825,055

Deferred tax assets / (liabilities) :	2024	2023
Provision for contingencies	72,919	67,156
Provision for impairment in fixed assets	14,310	8,570
Inventory valuation differences	42,886	46,062
Other current assets	91,515	78,408
Provision for employment termination benefit	189,881	179,431
Tangible and intangible assets	(135,322)	12,719
Right of use assets	(1,418,486)	(1,440,498)
Other short term liabilities	43,124	83,585
Lease liabilities	812,253	817,656
Prior year losses	1,166,215	347,342
Cancelled prior year losses	(137,722)	-
Other	(1,328)	5,835
	740,245	206,266

Carry forward tax losses

According to the Tax Procedure Law, financial losses can be carried for a maximum of five years. Accordingly, the last year that unused financial losses can be recognized is 2029. The Company management has evaluated that it is probable that there will be sufficient taxable profit in the future depending on the expected operational performance improvement in the following years, and accordingly, deferred tax assets arising from unused financial losses amounting to TL 1,028,493 (31 December 2023: TL 347,342) are recognized in the financial statements.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

Carry forward tax losses *(continued):*

The expiry dates of the Company's available financial losses on which deferred tax asset is recognized are as follows:

	31 December 2024	31 December 2023
2024	-	263,144
2025	-	223,783
2026	-	308,441
2028	420,066	594,001
2029	3,693,903	-
	4,113,969	1,389,369

The unused prior year financial losses, which have not been subject to deferred tax calculation, will expire between the years 2025 and 2026.

The movements of deferred tax assets / liabilities as of 31 December 2024 and 2023 are as follows:

Movement of deferred tax asset:	2024	2023
Openning balance at 1 January	206,266	(312,459)
Current year income	470,284	418,363
Tax income attributable to equity	63,695	100,362
Closing balance at 31 December	740,245	206,266

	2024	2023
Tax reconciliation		
Profit before tax	(3,321,258)	1,320,243
Effective tax rate	25%	25%
Calculated tax	830,315	(330,061)
Disallowable expenses	(100,653)	(60,374)
Permenant differences not subject to deferred tax calculation	228,718	359,365
Deferred tax asset calculated over previous year tax losses used / (cancelled) in the current period	(198,842)	-
Inflation and other effects	(289,254)	449,433
	470,284	418,363

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

25. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (continued)

On August 2, 2024, the Government of Turkey, where the parent company is established, enacted the Pillar Two income tax legislation, effective from January 1, 2024. According to the legislation, the parent company will be required to pay additional tax on the profits of its subsidiaries in Turkey that are taxed at an effective tax rate below 15%.

The company has utilized the exemption from mandatory deferred tax recognition under IAS 12.

Law No. 7524, published in the Official Gazette on August 2, 2024, introduced the Domestic Minimum Corporate Tax, effective from January 1, 2025. It has no impact on the current tax expense and deferred tax income/expense.

26. (LOSS) / EARNING PER SHARE

Weighted average number of shares and basic earnings per share for the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Opening, number of shares (Note 17)	12.777.376.572	12.777.376.572
Share addition due to share capital increase	-	-
Closing, number of shares (total) (Note 17)	12.777.376.572	12.777.376.572
Weighted average number of shares	12.777.376.572	12.777.376.572
Net profit for the period (TRY)	(2.850.974)	1.738.606
Profit per share (Kr)	(0,2231)	0,1361
Profit per share (TRY)	(22,3127)	13,6069

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

27. RELATED PARTY DISCLOSURES

Transactions with related parties are classified according to the following groups and include all related party disclosures in this note:

(1) Hacı Ömer Sabancı Holding A.Ş. ve group companies

(2) Carrefour Nederland BV ve group companies

Cash and cash equivalents (Note 3)	31 December 2024	31 December 2023
Akbank T.A.Ş.	626,152	610,618
	626,152	610,618

Trade receivables from related parties (Note 5)	31 December 2024	31 December 2023
Carrefour World Trade	30,599	38,273
Akçansa Çimento Sanayi ve Ticaret A.Ş.	12,123	13,359
Majid Al Futtaim Hypermarkets Llc U	9,835	42,424
MAF Hypermarkets	6,322	-
Temsa Skoda Ulaşım Araçları A.Ş.	2,358	2,234
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	1,274	-
GMA SARL	1,013	-
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	873	-
Agesa Emeklilik ve Hayat A.Ş.	689	147
Carrefour Global Sourcing Asia	386	436
Akbank T.A.Ş.	302	225
Aksigorta A.Ş.	141	-
Ak Finansal Kiralama A.Ş.	37	52
Hacı Ömer Sabancı Holding A.Ş.	34	-
Çimsa Çimento Sanayi ve Ticaret A.Ş.	28	-
Carrefour Polska Sp. z o. o.	8	381
Teknosa İç ve Dış Ticaret A.Ş.	-	-
Other	72	615
	66,094	98,146

Financial Liabilities (Note 4)	31 December 2024	31 December 2023
Akbank T.A.Ş.	-	74,628
	-	74,628

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

27. RELATED PARTY DISCLOSURES (continued)

Trade payables to related parties (Note 5)	31 December 2024	31 December 2023
Akbank T.A.Ş.	262,263	194,281
Sabancı Dijital Teknoloji Hizmetler A.Ş.	53,428	51,792
Teknosa İç ve Dış Ticaret A.Ş.	8,452	5,323
Carrefour Hypermarches SAS	190	274
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	1,230	16,322
Aksigorta A.Ş.	68	7,805
Agesa Emeklilik ve Hayat A.Ş.	6	4
Other	30	72
	325,667	275,873

Other short term payables to related parties (Note 6)	31 December 2024	31 December 2023
Hacı Ömer Sabancı Holding A.Ş.	61,478	68,934
Carrefour Partenariat International	41,963	39,886
	103,441	108,820

Receivables from and payables to related parties arise from mutual sales of goods and services. The Company has not given any collateral for borrowings to related parties. As of 31 December 2024, the Company has not received any loan from Akbank T.A.Ş. (2023: The maturity of the loan is 23 February 2024 and the interest rate is 32%).

Prepaid Expenses (Note 8)	31 December 2024	31 December 2023
Sabancı Dijital Teknoloji Hizmetler A.Ş.	37,496	39,164
Aksigorta A.Ş.	12,816	12,050
Ak Yatırım Menkul Değerler A.Ş.	1,380	-
Akbank T.A.Ş.	1,063	45
	52,755	51,259

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

27. RELATED PARTY DISCLOSURES (continued)

Purchases from related parties (goods)	31 December 2024	31 December 2023
Teknosa İç ve Dış Ticaret A.Ş.	20,346	90,259
	20,346	90,259

Purchases from related parties (services)		
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	19,234	360,665
Aksigorta A.Ş.	108,928	73,818
Sabancı Dijital Teknoloji Hizmetler A.Ş.	66,403	69,067
Teknosa İç ve Dış Ticaret A.Ş.	1,625	1,037
Other	15,854	11,459
	212,044	516,046

Rent income from related parties		
Teknosa İç ve Dış Ticaret A.Ş.	8,011	8,367
Akbank T.A.Ş.	3,733	3,777
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	1,454	238
	13,198	12,382

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

27. RELATED PARTY DISCLOSURES (continued)

Other income from related parties	31 December 2024	31 December 2023
Carrefour World Trade	217,536	241,156
Gma SARL	65,965	-
Majid Al Futtaim Hypermarkets Llc U	50,238	126,222
MAF Hypermarkets	33,195	-
Hacı Ömer Sabancı Holding A.Ş.	21,594	29,673
Teknosa İç ve Dış Ticaret A.Ş.	18,113	20,662
Akçansa Çimento Sanayi ve Ticaret A.Ş.	13,870	26,615
Agesa Emeklilik ve Hayat A.Ş.	7,708	7,014
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	7,226	1,582
Carrefour Polska Sp. z o. o.	5,686	9,375
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	4,786	3,923
Akbank T.A.Ş.	4,611	11,918
Carrefour Global Sourcing Asia	3,873	3,175
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	3,752	5,094
Aksigorta A.Ş.	2,303	5,914
Sabancı Dijital Teknoloji Hizmetler A.Ş.	1,672	3,763
Kordsa Teknik Tekstil A.Ş.	1,530	5,863
Çimsa Çimento Sanayi ve Ticaret A.Ş.	1,451	1,727
Brisa-Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	1,398	2,314
Ak Yatırım Menkul Değerler A.Ş.	832	1,382
Global Retail C.I. LTD	520	-
Label'Vie	505	-
Afyon Çimento Sanayii Türk A.Ş.	84	2,882
Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş.	-	4,682
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	19	352
Other	2,122	2,999
	470,589	518,287

Other expenses to related parties	31 December 2024	31 December 2023
Hacı Ömer Sabancı Holding A.Ş.	231,751	227,738
Carrefour Partenariat International	186,373	179,661
Other	112	219
	418,236	407,618

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

27. RELATED PARTY DISCLOSURES (continued)

Interest income from related parties	31 December 2024	31 December 2023
Akbank T.A.Ş.	9,779	575
Interest expense and credit card commission to related parties		
Akbank T.A.Ş.	177,981	126,203
Ak Yatırım Menkul Değerler A.Ş.	1,335	-
	179,316	126,203

The details of remuneration and similar benefits provided to senior management in the current period are as follows:

	31 December 2024	31 December 2023
Salaries and other short term benefits	80,366	75,813
Other long term benefits	2,625	4,268
	82,991	80,081

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure the continuity of its activities while maximizing its profit through the optimization of the debt and equity balance. The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 4, cash and cash equivalents disclosed in Note 3 and shareholders' equity disclosed in Note 17. The Company aims to balance the capital structure by acquiring new debt or paying back the current debt.

The Company monitors its capital with the net financial debt / equity ratio. Cash and cash equivalents are deducted from financial liabilities to calculate the net financial debt.

Net financial debt / equity ratio as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Total financial liabilities	5.854.009	2.200.901
Total lease liabilities	3.249.280	3.270.625
Less: Cash and cash equivalents	(2.044.840)	(2.463.679)
Net financial debt	7.058.449	3.007.847
Total shareholders' equity	4.387.952	7.430.016
Net Financial Debt / Equity	1,61	0,40

The Company's overall strategy is not changed significantly in the current period.

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial Risk Factors

The Company's corporate treasury department, besides providing services for operations, also coordinates access to domestic and international markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risk. These risks include market risk (including currency risk, fair value interest rate risk and price risk) credit risk, liquidity risk and cash flow interest rate risk.

The Company has used derivative financial instruments in the previous years in order to reduce the effects of these risks and to hedge against them, and has not used such instruments in the current period. Derivative financial instruments that were used are determined through Company policies approved by the Board of Directors, and if derivative use will be required again, appropriate products will be submitted to the approval of the Board of Directors. The policies include both interest rate risks and foreign exchange risks. The Company does not enter into or trade financial instruments for speculative purpose and this kind of trading is forbidden by the Company's main shareholders.

The treasury department presents the risk factors and the related risk reducing policies in the monthly reports prepared for the main shareholders and to the Board of Directors in case of their demand.

Credit risk management

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Since the Company's customers are real consumer-level customers, there is not any credit risk arising from sales to customers.

The risks raised from the advances and deposits given by the Company in order to make investments, is under control by taking letter of guarantees from various banks. Based on the Company policy, the Company does not pay any advance or deposits without taking a letter of guarantee from counterparty.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial Risk Factors (continued)

Maximum exposure to credit risk by types of financial instruments	**Receivables**				
	Trade Receivables		**Other Receivables**		
31 December 2024	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Bank Deposits and Credit Card Receivables**
Maximum net credit risk as of balance sheet date (i)	66,094	1,636,822	-	366,772	1,959,353
- The part of maximum risk under guarantee with collateral etc. (ii)	-	1,154,715	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	66,094	1,506,225	-	366,772	1,959,353
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	130,597	-	-	-
- The part under guarantee with collateral etc.	-	83,201	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	42,210	-	-	-
- Impairment (-)	-	(42,210)	-	-	-
- The part of net value under guarantee with collateral etc.	-	1,074	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(i) Guarantees received and factors increasing loan reliability are not considered in determining this amount.
(ii) Guarantees consist of letters of guarantee, notes receivable, cheques and mortgage obtained from customers.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial Risk Factors (continued)

Maximum exposure to credit risk by types of financial instruments	Receivables				
	Trade Receivables		Other Receivables		
31 December 2023	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Bank Deposits and Credit Card Receivables**
Maximum net credit risk as of balance sheet date (i)	98,146	1,448,318	-	721,253	2,304,246
- The part of maximum risk under guarantee with collateral etc. (ii)	-	871,925	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	98,146	1,217,883	-	721,253	2,304,246
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	230,435	-	-	-
- The part under guarantee with collateral etc.	-	142,322	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	34,186	-	-	-
- Impairment (-)	-	(34,186)	-	-	-
- The part of net value under guarantee with collateral etc.	-	206	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(i) Guarantees received and factors increasing loan reliability are not considered in determining this amount.
(ii) Guarantees consist of letters of guarantee, notes receivable, cheques and mortgage obtained from customers.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Credit Risk Management (continued)

	Receivables	
2024	**Trade receivables**	**Other receivables**
Past due 1-30 days	11,562	-
Past due 1-3 months	9,425	-
Past due 3-12 months	94,524	-
Past due 1-5 years	15,086	-
Past due more than 5 years	-	-
Total past due receivables	130,597	-

	Receivables	
2023	**Trade Receivables**	**Other Receivables**
Past due 1-30 days	52,349	-
Past due 1-3 months	13,406	-
Past due 3-12 months	129,169	-
Past due 1-5 years	35,511	-
Past due more than 5 years	-	-
Total past due receivables	230,435	-

The Company management is expecting that the overdue receivables for which a provision was not booked, will be collected.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking and borrowing facilities by continuously monitoring estimated and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

The following table presents the maturity distribution of the Company's non-derivative financial liabilities and has been prepared without discounting the Company's liabilities and on the basis of the earliest due dates.

The Company's expected due dates and contract due dates and are the same.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

31 December 2024

Terms in accordance with the contract	Book value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	5,854,009	6,347,018	5,278,054	1,068,964	-	-
Financial lease liabilities	3,249,280	5,689,363	447,909	1,034,000	2,904,326	1,303,128
Trade payables	11,803,694	12,062,549	11,888,017	174,532	-	-
Other payables and liabilities (i)	294,108	294,108	294,108	-	-	-
Total liabilities	21,201,091	24,393,038	17,908,088	2,277,496	2,904,326	1,303,128

31 December 2023

Terms in accordance with the contract	Book value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	2,200,901	2,446,470	1,273,414	1,173,056	-	-
Financial lease liabilities	3,270,625	5,844,510	391,455	930,781	3,118,315	1,403,959
Trade payables	12,974,623	13,134,913	13,089,988	44,925	-	-
Other payables and liabilities (i)	298,888	318,239	318,239	-	-	-
Total liabilities	18,745,037	21,744,132	15,073,096	2,148,762	3,118,315	1,403,959

(i) Provisions are not included in other payables and liabilities.

Market risk management

Market risk is measured based on sensitivity analysis.

In current year, the Company's market risk management method or its market risk exposure have not changed significantly compared to prior year.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management

The foreign currency denominated assets and liabilities of monetary items are as follows:

	31 December 2024		
	TRY Equivalents (Functional currency)	USD	EUR
1. Trade receivables	116,998	1,182	2,049
2. Liquid assets	199,422	736	4,722
3. CURRENT ASSETS (1+2)	316,420	1,918	6,771
4. Other	188,881	4,521	800
5. NON-CURRENT ASSETS	188,881	4,521	800
6. TOTAL ASSETS (3+5)	505,301	6,439	7,571
7. Trade payables	121,361	2,747	660
8. Other payables	41,963	-	1,142
9. Financial liabilities	213,212	-	5,804
10. Non-monetary other liabilities	24,285	567	115
11. CURRENT LIABILITIES (7+8+9+10)	400,821	3,314	7,721
12. Financial liabilities	64,103	-	1,745
13. NON-CURRENT LIABILITIES	64,103	-	1,745
14. TOTAL LIABILITIES (11+13)	464,924	3,314	9,466
15. Net foreign currency position (6-14)	40,377	3,125	(1,895)
16. Net monetary foreign currency position (6-14-10)	16,092	2,558	(2,010)

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management (continued)

	31 December 2023		
	TRY Equivalents (Functional currency)	**USD**	**EUR**
1. Trade receivables	197,565	2,632	1,822
2. Liquid assets	354,714	4,033	3,897
3. CURRENT ASSETS (1+2)	552,279	6,665	5,719
4. Other	230,190	4,531	800
5. NON-CURRENT ASSETS	230,190	4,531	800
6. TOTAL ASSETS (3+5)	782,469	11,196	6,519
7. Trade payables	172,167	3,781	237
8. Other payables	39,887	-	847
9. Financial liabilities	6,559	-	139
10. Non-monetary other liabilities	29,458	636	50
11. CURRENT LIABILITIES (7+8+9+10)	248,071	4,417	1,273
12. Financial liabilities	89,300	-	1,899
13. NON-CURRENT LIABILITIES	89,300	-	1,899
14. TOTAL LIABILITIES (11+13)	337,371	4,417	3,172
15. Net foreign currency position (6-14)	445,098	6,779	3,347
16. Net monetary foreign currency position (6-14-10)	415,640	6,143	3,297

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising primarily from USD and EUR. The following table demonstrates the sensitivity of the Company to a possible change of 10% in US dollar and EUR rates. Negative value implies the effect of 10% increase in USD and in EUR foreign currency rates against TL on the decrease in the net profit.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management (continued)

	31 December 2024	
	Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY		
1 - US Dollar net asset / liability	11,005	(11,005)
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	**11,005**	**(11,005)**
In case of 10% appreciation of EUR against TRY		
4 - Euro net asset / liability	(6,967)	6,967
5 - Part of hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	**(6,967)**	**6,967**
TOTAL (3 + 6)	**4,038**	**(4,038)**

	31 December 2023	
	Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY		
1 - US Dollar net asset / liability	28,777	(28,777)
2- Part of hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	**28,777**	**(28,777)**
In case of 10% appreciation of EUR against TRY		
4 - Euro net asset / liability	15,733	(15,733)
5 - Part of hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	**15,733**	**(15,733)**
TOTAL (3 + 6)	**44,510**	**(44,510)**

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Market risk management

The interest rates that the Company is exposed to, regarding its financial liabilities, are given in detail in Note 4.

Interest rate sensitivity

Sensitivity analysis is determined based on the interest rate risk exposed to on the balance sheet date and the anticipated interest rate change at the beginning of the financial year and kept fixed during the reporting period.

As of 31 December 2023, the Company does not have any loan agreements with variable interest rates.

The Company does not have any interest rate swap contract.

The financial instruments that are sensitive to interest rate are as follows:

Interest Position Table

Instruments with Fixed Rates	**31 December 2024**	**31 December 2023**
Financial lease payables	3,249,280	3,270,625
Bank loans	4,116,216	771,899
Sukuk issuance	-	697,065
Bond issuance	1,117,972	-
Instruments with Variable Rates		
Bank loans	-	416,057
Sensitivity to 1% change in interest	-	4,161

Other price risks

The Company does not have any investments or liabilities that may be exposed to price volatility such as shares/bonds etc.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

29. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING)

31 December 2024	Financial assets at amortized cost	Financial liabilities at amortized cost	Net book value	Note
Financial assets				
Cash and cash equivalents	2,044,840	-	2,044,840	(3)
Trade receivables	1,636,822	-	1,636,822	(5)
Due from related parties	66,094	-	66,094	(27)
Other receivables	366,772	-	366,772	(6)
Financial liabilities				
Borrowings	-	5,854,009	5,854,009	(4)
Financial lease payables	-	3,249,280	3,249,280	(4)
Trade payables	-	11,478,027	11,478,027	(5)
Due to related parties	-	429,108	429,108	(27)
Other liabilities (*)	-	368,283	368,283	

31 December 2023	Financial assets at amortized cost	Financial liabilities at amortized cost	Net book value	Note
Financial assets				
Cash and cash equivalents	2,463,679	-	2,463,679	(3)
Trade receivables	1,448,318	-	1,448,318	(5)
Due from related parties	98,146	-	98,146	(27)
Other receivables	721,253	-	721,253	(6)
Financial liabilities				
Borrowings	-	2,200,901	2,200,901	(4)
Financial lease payables	-	3,270,625	3,270,625	(4)
Trade payables	-	12,698,750	12,698,750	(5)
Due to related parties	-	384,693	384,693	(27)
Other liabilities (*)	-	387,280	387,280	

(*) Provisions are not included.

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

29. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING) (continued)

Fair value

The methods and assumptions used to estimate the fair value of financial assets and liabilities are as follows:

Financial assets

Certain financial assets, including cash and cash equivalents, are recognized with their cost values and it is estimated that their carrying values are approximately equal to their fair values due to their short-term nature.

It is estimated that the carrying values of trade receivables, together with the related doubtful receivables provisions, reflect their fair value.

Financial liabilities

Short term TL denominated, fixed and variable interest rate bank borrowings are assumed to converge to their fair value, as their drawdown date close to the balance sheet date.

Long term foreign currency denominated finance lease payables are assumed to converge to its fair value.

Since trade payables are short-term, they are assumed to reflect their fair values.

Classification regarding fair value measurement

"TFRS 7 – Financial Instruments: Disclosure" standard requires that the financial instruments measured at their fair values in the financial statements should be classified and presented in a hierarchy that reflects the importance of the data used in determining the fair value. The basis for the hierarchy is dependent on whether the data used in fair value calculation is observable or not. Observable inputs mean that the Company using market inputs derived from independent sources and unobservable inputs mean that the Company using market expectation and assumptions. This distinction leads to classifications presented as below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market (unobservable inputs).

30. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDIT COMPANY

The Company's explanation regarding the fees for the services rendered by the independent audit firm, which is prepared based on the POA's Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of POA dated 19 August 2021 are as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	2,996	4,783
Fees for tax consultancy services	-	-
Fee for other assurance services	-	52
Fee for services other than independent audit	-	-
	2,996	4,835

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 31 December 2024, unless otherwise stated.)

31. EXPLANATIONS RELATED TO NET MONETARY POSITION GAINS / (LOSSES)

	1 January-31 December 2024
Financial Position Items	**353,531**
Inventories	(81,267)
Prepaid Expenses (Short Term)	(15,585)
Tangible and Intangible Assets	2,049,522
Right of Use Assets	848,368
Deferred Tax Assets	(213,828)
Share Capital	(5,702,925)
Share Issue Premium	(868,366)
Losses on Remeasurement of Defined Benefit Obligations	324,578
Restricted Reserves Appropriated from Profit	(51,591)
Accumulated Deficit	4,064,625
Statement of Profit or Loss Items	**5,567,870**
Revenue	(7,676,780)
Cost of Sales	8,530,694
Operating Expenses	3,455,612
Other Income / Expenses from Operating Activities	496,594
Expenses from Invesment Activies	16,303
Finance Income / Expenses	451,514
Deferred Tax Income	293,933
NET MONETARY POSITION GAINS (LOSSES)	**5,921,401**

32. EVENTS AFTER REPORTING PERIOD

The Company has made bond issuance on 9 January 2025, amounting to TL 550,000 with a maturity of 177 days, 46% fixed interest and redemption date of 9 July 2025; on 15 January 2025, amounting to TL 500,000 with a maturity of 97 days, 46% fixed interest rate and redemption date of 22 April 2025 and on 6 February 2025, amounting to TL 600,000 with a maturity of 85 days, 43% fixed interest and redemption date of 2 May 2025.

The application to CMB regarding the planned amendment to Article 6 of the Company's Articles of Association was approved on 3 February 2025 and the application to the Directorate General for Domestic Trade of the Ministry of Trade was approved on 12 February 2025. The draft amendment to the Articles of Association will be submitted for the approval of shareholders at the 2024 Ordinary General Assembly meeting.