

**CARREFOURSA CARREFOUR
SABANCI TİCARET MERKEZİ A.Ş.**

**CONDENSED FINANCIAL STATEMENTS AS OF
30 JUNE 2024 AND INDEPENDENT AUDITORS'
REVIEW REPORT**

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



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**(Convenience Translation of the Report on Review of Condensed Interim
Financial Information Originally Issued in Turkish)**

**REPORT ON REVIEW OF INTERIM CONDENSED
FINANCIAL INFORMATION**

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (the “Company”) as at 30 June 2024, and the related condensed statements of profit or loss and other comprehensive income, condensed statement of changes in shareholders’ equity and condensed statement of cash flows for the six-months period then ended, and a summary of significant accounting policies and other explanatory notes. The Company management is responsible for the preparation and fair presentation of the accompanying condensed interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

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Other Matter

The financial statements of the Company as of 31 December 2023 were audited and the condensed financial statements as of 30 June 2023 and for the six-month period then ended were reviewed by another audit firm whose audit report dated 28 March 2024 expressed an unqualified opinion and whose condensed review report dated 28 July 2023 expressed a conclusion that nothing has come to their attention that not compliance with TAS 34.

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

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

İstanbul, 20 August 2024

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**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
ASSETS			
Current Assets		10,404,444	10,933,356
Cash and Cash Equivalents	3	1,464,206	2,128,475
Trade Receivables			
Due From Related Parties	5, 24	118,405	84,793
Due From Third Parties	5	1,362,047	1,251,261
Other Receivables			
Due From Third Parties		219,550	421,157
Inventories	6	6,828,845	6,780,412
Prepaid Expenses		411,391	267,258
Non-Current Assets		13,402,043	13,188,923
Other Receivables			
Due From Third Parties		180,069	201,963
Property, Plant and Equipment	7	3,560,720	3,718,404
Right of Use Assets	8	5,115,157	4,978,023
Intangible Assets			
Goodwill	10	3,759,600	3,759,600
Other Intangible Assets	9	329,149	346,257
Prepaid Expenses		1,782	6,476
Deferred Tax Assets	22	455,566	178,200
TOTAL ASSETS		23,806,487	24,122,279

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
LIABILITIES			
Current Liabilities		15,644,037	14,831,931
Short Term Borrowings			
Short Term Bank Loans from Related Parties	4, 24	--	64,474
Short Term Bank Loans from Third Parties	4	3,472,460	1,564,073
Other Financial Liabilities			
Other Financial Liabilities to Third Parties	4	110,000	272,901
Short Term Portion of Long Term Borrowings			
Short Term Portion of Long Term Lease Liabilities to Third Parties	4	718,496	574,442
Trade Payables			
Due to Related Parties	5, 24	143,308	238,338
Due to Third Parties	5	9,705,015	10,954,235
Payables Related to Employee Benefits	13	701,565	566,479
Other Payables			
Due to Related Parties	24	215,046	94,014
Due to Third Parties		191,232	164,207
Short-Term Provisions			
Provisions for Employment Benefits	11	37,765	15,410
Other Short Term Provisions	11	156,443	136,229
Deferred Income (Except Liabilities Arising From Customer Contracts)	14	177,725	170,402
Other Current Liabilities		14,982	16,727
Non-Current Liabilities		2,914,252	2,871,256
Long Term Borrowings			
Long Term Lease Liabilities to Third Parties	4	2,150,051	2,251,185
Long Term Provisions			
Provisions for Employment Benefits	11	764,201	620,071
TOTAL LIABILITIES		18,558,289	17,703,187
EQUITY		5,248,198	6,419,092
Shareholders' Equity		5,248,198	6,419,092
Share Capital	15	127,774	127,774
Inflation Adjustment Differences to Share Capital	15	15,901,383	15,901,383
Share Issue Premium / Discounts		2,440,711	2,440,711
Other Accumulated Comprehensive Income and Expenses			
Not to be Reclassified to Profit or Loss			
- Losses on Remeasurement of Defined Benefit Obligations	15	(952,544)	(771,442)
Restricted Reserves Appropriated from Profit	15	145,006	145,006
Accumulated Deficit	15	(11,424,340)	(12,926,394)
Net (Loss) / Profit for the Period		(989,792)	1,502,054
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,806,487	24,122,279

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY - 30 JUNE 2024**

(Amounts are expressed in thousands of Turkish Lira ("TL") with the purchasing power as of 30 June 2024, unless otherwise stated.)

	Notes	Reviewed 1 January - 30 June 2024	Not Reviewed 1 April - 30 June 2024	Reviewed 1 January - 30 June 2023	Not Reviewed 1 April - 30 June 2023
PROFIT OR LOSS					
Revenue	16	27,368,083	14,425,148	26,311,062	14,038,321
Cost of Sales (-)	16	(21,245,763)	(11,192,644)	(20,927,938)	(11,202,439)
GROSS PROFIT		6,122,320	3,232,504	5,383,124	2,835,882
Marketing Expenses (-)	17	(6,115,781)	(3,098,759)	(5,485,265)	(2,681,237)
General Administrative Expenses (-)	17	(836,015)	(397,783)	(782,606)	(376,326)
Other Income From Operating Activities	19	206,427	72,462	235,684	193,430
Other Expenses From Operating Activities (-)	19	(2,004,896)	(1,063,136)	(975,945)	(611,026)
OPERATING LOSS		(2,627,945)	(1,254,712)	(1,625,008)	(639,277)
Finance Income	20	40,858	17,756	19,192	8,657
Finance Expenses (-)	21	(1,640,693)	(931,841)	(781,746)	(427,198)
Monetary Gain		3,020,990	1,135,552	2,468,301	952,320
(LOSS) / PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		(1,206,790)	(1,033,245)	80,739	(105,498)
Continuing Operations Tax Income / (Expense)		216,998	225,294	(77,591)	(3,759)
- Deferred Tax Income / (Expense)	22	216,998	225,294	(77,591)	(3,759)
NET (LOSS) / PROFIT FOR THE PERIOD		(989,792)	(807,951)	3,148	(109,257)
OTHER COMPREHENSIVE LOSS					
Items that will not be reclassified to profit or loss		(181,102)	(33,588)	(278,508)	(12,022)
- Defined benefit plans remeasurement losses	11	(241,470)	(44,785)	(348,135)	(15,028)
- Defined benefit plans remeasurement losses, tax effect		60,368	11,197	69,627	3,006
OTHER COMPREHENSIVE LOSS		(181,102)	(33,588)	(278,508)	(12,022)
TOTAL COMPREHENSIVE LOSS		(1,170,894)	(841,539)	(275,360)	(121,279)
(Loss) / Profit per share (1 TL per share)					
Basic (loss) / profit per share					
Basic (loss) / profit per share from continued operations		(7.7464)	(6.3233)	0.0246	(0.8551)
Total basic (loss) / profit per share	23	(7.7464)	(6.3233)	0.0246	(0.8551)
Diluted (loss) / profit per share					
Diluted (loss) / profit per share from continued operations		(7.7464)	(6.3233)	0.0246	(0.8551)
Total diluted (loss) / profit per share		(7.7464)	(6.3233)	0.0246	(0.8551)

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

(Note 15)	Share Capital	Inflation Adjustment Differences to Share Capital	Share Issue Premium/ Discounts	Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit or Loss	Restricted Reserves Appropriated from Profit	Retained Earnings		Total Shareholders' Equity
				Losses on Remeasurement of Defined Benefit		Accumulated Deficit	Net Profit / (Loss) for the Period	
Balance as of 1 January 2023	127,774	15,901,383	2,440,711	(511,322)	145,006	(14,374,439)	1,448,045	5,177,158
Transfers	-	-	-	-	-	1,448,045	(1,448,045)	-
Total Comprehensive Loss	-	-	-	(278,508)	-	-	3,148	(275,360)
Balances as of 30 June 2023	127,774	15,901,383	2,440,711	(789,830)	145,006	(12,926,394)	3,148	4,901,798
Balance as of 1 January 2024	127,774	15,901,383	2,440,711	(771,442)	145,006	(12,926,394)	1,502,054	6,419,092
Transfers	-	-	-	-	-	1,502,054	(1,502,054)	-
Total Comprehensive Loss	-	-	-	(181,102)	-	-	(989,792)	(1,170,894)
Balances as of 30 June 2024	127,774	15,901,383	2,440,711	(952,544)	145,006	(11,424,340)	(989,792)	5,248,198

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

	Notes	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) / profit for the period		(989,792)	3,148
Adjustments to reconcile net (loss) / profit for the period		2,308,059	1,830,666
- Adjustments to depreciation and amortization expenses	7, 8, 9	1,425,508	1,278,804
- Adjustments to provisions	11	46,636	7,803
- Adjustments to interest income	20	(27,850)	(19,192)
- Adjustments to interest expense	21	1,634,994	781,746
- Adjustments to foreign exchange income / loss	20, 21	(7,309)	--
- Change in provision for unused vacation liability		22,355	18,337
- Provision for employment termination benefit	11	188,284	189,417
- Adjustments to impairment (reversal) of receivables	5	4,133	2,679
- Adjustments to provision for impairment (reversal) on inventory	6	(14,913)	26,063
- Adjustments to unrealized foreign exchange translation differences		(10,594)	(30,681)
- Tax income	22	(216,998)	77,591
- Adjustments to monetary gains		(736,187)	(501,901)
Changes in working capital		(1,316,419)	321,324
- Increase in trade receivables from third parties, including collection of doubtful receivables		(114,919)	(73,004)
- Increase in inventories		(33,520)	(1,078,341)
- Increase due from related parties		(33,612)	(77,304)
- Decrease in other receivables from third parties		223,501	9,934
- Increase in prepaid expenses		(139,439)	(523,228)
- Increase in other short term payables to third parties		27,025	2,347
- (Decrease) / increase in trade payables to third parties		(1,412,121)	1,627,002
- Increase in payables due to related parties		26,002	111,713
- Increase in employee benefit liabilities		135,086	342,619
- Increase / (decrease) in other current liabilities		5,578	(20,414)
Cash from operating activities		1,848	2,155,138
- Employee termination benefits paid	11	(130,663)	(370,751)
Net cash (used in) / from operating activities		(128,815)	1,784,387

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

		Reviewed	Reviewed
		1 January - 30 June	1 January - 30 June
	Notes	2024	2023
B. CASH FLOWS FROM INVESTING ACTIVITIES			
- Cash outflows from purchases	7	(301,808)	(415,326)
- Acquisition of intangible assets	9	(83,907)	(114,897)
- Cash inflows from sale of property, plant and equipment and intangible		19,405	74,025
Net cash used in investing activities		(366,310)	(456,198)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
- Cash inflows from loans	4	2,931,400	1,309,080
- Cash outflows related to repayment of loans		(965,045)	(1,535,263)
- Lease repayments	4	(726,470)	(746,086)
- Interest paid		(1,025,395)	(466,745)
- Interest received	20	27,850	19,192
Net cash from / (used in) financing activities		242,340	(1,419,822)
Decrease in cash and cash equivalents		(252,785)	(91,633)
Cash and cash equivalents at the beginning of the year		2,128,475	2,451,042
- The impact of change in foreign currency exchange differences over cash and cash equivalents		10,594	30,681
- Inflation effect on cash and cash equivalents		(422,078)	(404,654)
Cash and cash equivalents at the end of the period	3	1,464,206	1,985,436

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

1. ORGANISATION AND NATURE OF OPERATIONS OF THE COMPANY

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

The Company’s shares have been traded on Borsa İstanbul A.Ş. since 2006.

The number of personnel is 10,359 as of 30 June 2024 (31 December 2023: 10,519).

As of 30 June 2024, the Company has 22 hypermarkets, 439 franchises and 671 supermarkets (31 December 2023: 22 hypermarkets, 341 franchises and 684 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

Statement of Compliance with Turkish Financial Reporting Standards (“TFRS”)

According to the Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013, the accompanying condensed interim financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”). TFRS is composed of Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards and its addendum and interpretations issued by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The condensed interim financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by POA on 3 July 2024 and the Illustrative Financial Statements and User Guide published by CMB.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed version. The Company’s condensed interim financial statements do not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed interim financial statements should be considered together with the financial statements as of 31 December 2023.

Approval of condensed interim financial statements:

The accompanying condensed interim financial statements of the Company has been approved by the Company’s Board of Directors on 20 August 2024. General Assembly and related legal institutions have the right to amend these condensed financial statements.

Basis of measurement

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

Functional and reporting currency

These condensed 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 thousands of TL with the purchasing power as of 30 June 2024, unless otherwise stated.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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
30.06.2024	2,319.29	1.00000	324%
31.12.2023	1,859.38	1.24735	268%
30.06.2023	1,351.59	1.71597	190%

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.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

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 application of TAS 29 “Inflation Accounting” is summarized below:

Restatement of the Statement of Financial Position

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.

Restatement of the Statement of Profit or Loss

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.

Restatement of the Statement of Cash Flows

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

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 condensed interim financial statements have been presented comparatively with the previous period. The Company presented condensed balance sheet as of 30 June 2024 comparatively with the balance sheet as of 31 December 2023; condensed statement of profit or loss and other comprehensive income, condensed statement of cash flow and condensed statement of changes in shareholders’ equity as of 30 June 2024 comparatively with the 30 June 2023 condensed financial statements. Where necessary, comparative figures have been reclassified to conform to the changes in presentation in the current period and material differences are disclosed.

2.4. Offsetting

Financial assets and liabilities are carried at their net values in the statement of financial position if there is a legal right for offsetting, and if they can be paid or collected on a net basis, or the acquisition of the asset and the fulfillment of the liability can occur simultaneously.

2.5 Changes in Significant Accounting Policies

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Company’s financial statements as at and for the year ended 31 December 2023.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.6 Significant Accounting Estimates and Assumptions

In the preparation of the condensed financial statements, the management of the Company is required to report the management of the balance sheet date and to affect the issues that need to be managed, to determine the possible conditions and commitments as of the balance sheet date, reporting period, income and expense amounts and to make estimates and gains. The estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

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

2.6.1 Provisions

Provisions are made when there is a legal or constructive obligation that the Company holds as a result of past events and a future outflow of resources is probable to fulfill this obligation and the amount to be paid can be estimated reliably. In that scope, as of 30 June 2024 and 31 December 2023 the Company evaluated the current risks and booked related provisions.

2.6.2 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 prepared in accordance with TFRS 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 asset, a provision is provided either for the whole or for a certain part of the deferred tax asset. As of 30 June 2024 and 31 December 2023, after the necessary evaluations, the deferred tax assets are 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 carry-forward tax losses are recognized on the condition that it is highly probable that these differences will be benefited from by generating taxable profit in the future.

2.6.3 Going Concern Assumption

The interim condensed 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 30 June 2024, the Company's current liabilities exceeded its current assets by TL 5,239,593. The Company's net loss for the six-month period of 2024 is TL 989,792 and a negative cash flow from operating activities occurred during the period. The Company management expects an increase in net profit along with the increase in operating profit in its budget and forecast studies. Therefore, the Company's management does not expect any risk to the net working capital of the business as a going concern.

2.6.4 Segment Reporting

Operating segments are reported 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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments that have become effective and have been adopted for annual periods beginning on or after 1 January 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 other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendments to TAS 1 do not have significant impact on Company’s condensed financial statements.

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.

The amendments to TFRS 16 do not have significant impact on Company’s condensed financial statements.

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 are effective from annual reporting periods beginning on or after 1 January 2024.

The amendments to TAS 1 do not have significant impact on Company’s condensed financial statements.

Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The amendments do not have significant impact on Company’s condensed financial statements.

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 for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

The Company is within the scope of the application as it meets criteria specified in POA’s announcement.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Amended Turkish Financial Reporting Standards (Continued)

a) Amendments that are mandatorily effective from 2024 (Continued)

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-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 for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

The Company is within the scope of the application as it meets criteria specified in POA's announcement.

b) New and Revised TRFSs in Issue but not Yet Effective

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 2025.

TFRS 17 is not expected to have an impact on the Company's condensed financial statements.

Amendments have been made in TFRS 17 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.

The possible effects of these amendments on the Company's condensed financial statements are being evaluated.

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3. CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Cash on hand	95,932	137,741
Cash in transit (*)	164,456	129,203
Credit card receivables (**)	774,888	1,217,291
Banks		
Demand deposit	428,930	644,240
	<u>1,464,206</u>	<u>2,128,475</u>

(*) Cash in transit consists of bank balances that has not been reflected into deposit accounts 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 24.

As of 30 June 2024, the Company does not have any time deposits.

The Company does not have any blocked deposits as of 30 June 2024 and 31 December 2023.

The Company’s exposure to currency risks and relevant sensitivities for cash and cash equivalents are disclosed in Note 25.

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4. FINANCIAL LIABILITIES

As of 30 June 2024 and 31 December 2023, the details of financial liabilities are as follows;

<u>Short Term Financial Liabilities</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Short Term Financial Liabilities from Related Parties		
Bank loans with fixed interest rates (*) (Note 24)	-	64,474
Other Short Term Financial Liabilities		
Bank loans with fixed interest rates (*)	1,870,725	602,402
Bank loans with variable interest rates (*)	837,975	359,448
Sukuk issuance (*/**)	763,760	602,223
	<u>3,472,460</u>	<u>1,628,547</u>
<u>Other Short Term Financial Liabilities</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Credit card payables to third parties	110,000	272,901
	<u>110,000</u>	<u>272,901</u>
<u>Short Term Portion of Long Term Financial Liabilities</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Lease liabilities	718,496	574,442
	<u>718,496</u>	<u>574,442</u>
<u>Long Term Financial Liabilities</u>		
Lease liabilities	2,150,051	2,251,185
	<u>2,150,051</u>	<u>2,251,185</u>

(*) As of 30 June 2024 and 31 December 2023 the details of short-term bank loans are as follows:

<u>Currency</u>	<u>Interest Rate (i)</u>	<u>30 June 2024</u>
TL (Fixed interest rate)	57.01%	1,755,000
EUR (Fixed interest rate)	7.16%	651,632
TL (Variable interest rate)	54.12%	680,000
	Interest accrual	385,828
		<u>3,472,460</u>
<u>Currency</u>	<u>Interest Rate (i)</u>	<u>31 December 2023</u>
TL (Fixed interest rate)	43.26%	1,189,348
TL (Variable interest rate)	33.26%	311,838
	Interest accrual	127,361
		<u>1,628,547</u>

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

(**) 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%, on 26 March 2024, an amount of TL 200,000 with a maturity of 182 days and an interest rate of 55% and on 29 April 2024, an amount of TL 300,000 with a maturity of 181 days and an interest rate of 60%.

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4. FINANCIAL LIABILITIES (Continued)

Company’s financial liabilities due to related parties are stated in Note 24.

The Company’s finance lease payables represent the present value of the future payables of the store, vehicles and buildings that are rented from third parties through their useful lives.

The payment schedule of long-term borrowings as of 30 June 2024 and 31 December 2023 in TL equivalent is as stated below:

	30 June 2024	31 December 2023
To be paid within 1-2 years	158,116	195,765
To be paid within 2-3 years	129,865	126,703
To be paid within 3-4 years	79,171	80,085
To be paid within 4-5 years	64,121	76,387
To be paid within 5 years and beyond	1,718,778	1,772,245
	<u>2,150,051</u>	<u>2,251,185</u>

The reconciliation of the Company's obligations arising from its borrowings for the six-month period ended 30 June 2024 and 2023 is as follows:

	30 June 2024	30 June 2023
Borrowings as of 1 January	1,628,547	2,281,246
Current period additions	2,931,400	1,309,080
Current period interest and capital repayments	(1,886,960)	(1,958,969)
Current period interest expenses (including accruals) (Note 21)	1,180,381	344,260
Inflation effect	(380,908)	(207,537)
Borrowings as of 30 June	<u>3,472,460</u>	<u>1,768,080</u>

The reconciliation of the Company's obligations arising from its lease liability for the six-month period ended 30 June 2024 and 2023 is as follows:

	30 June 2024	30 June 2023
Operating lease as of 1 January	2,825,627	2,809,297
Current period net change in operating lease liability	1,021,540	1,334,259
Current period lease payment	(726,470)	(746,086)
Current period interest expenses (Note 21)	343,823	394,447
Inflation effect	(595,973)	(515,286)
Lease liabilities as of 30 June	<u>2,868,547</u>	<u>3,276,631</u>

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4. FINANCIAL LIABILITIES (Continued)

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

Currency	30 June 2024	
	Short-Term	Long-Term
TL	713,240	2,090,563
Euro	5,256	59,488
	<u>718,496</u>	<u>2,150,051</u>

Currency	31 December 2023	
	Short-Term	Long-Term
TL	568,776	2,174,035
Euro	5,666	77,150
	<u>574,442</u>	<u>2,251,185</u>

As of 30 June 2024 and 31 December 2023, there are no guarantees given related to the financial borrowings.

The Company's exposure to foreign exchange risk related to borrowings is disclosed in Note 25.

As of 30 June 2024 and 31 December 2023, the Company has export commitment for some of the loans has been used.

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5. TRADE RECEIVABLES AND PAYABLES

Detail of trade receivables and payables as of 30 June 2024 and 31 December 2023 are as follows:

<u>Short Term Trade Receivables from Third Parties</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Other trade receivables	1,378,682	1,269,403
Shopping mall receivables	9,716	11,393
Expected credit loss	(26,351)	(29,535)
	<u>1,362,047</u>	<u>1,251,261</u>
Due from related parties (Note 24)	118,405	84,793
	<u>1,480,452</u>	<u>1,336,054</u>

The movement of the provision for expected credit loss for the six-month period ended 30 June 2024 and 2023 are as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance	29,535	50,591
Collections	(1,134)	(1,487)
Charge for the period	4,133	2,679
Inflation effect	(6,183)	(8,387)
Closing balance	<u>26,351</u>	<u>43,396</u>

Trade receivables due dates vary depending on the sector and entity and the average due dates are lower than three months.

The Company evaluates the credibility of the receivable and the movement 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.

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Letters of guarantee for trade receivables	1,144,799	931,203
	<u>1,144,799</u>	<u>931,203</u>

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5. TRADE RECEIVABLES AND PAYABLES (Continued)

<u>Short Term Trade Payables</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Other trade payables	9,705,015	10,954,235
Due to related parties (Note 24)	143,308	238,338
	<u>9,848,323</u>	<u>11,192,573</u>

Average payment terms of commodity purchase are varying depending on sector and suppliers.

As of 30 June 2024 and 31 December 2023, the average payment term is less than three months.

The exchange rate risk for the Company's trade receivables and payables is disclosed in Note 25.

6. INVENTORIES

	<u>30 June 2024</u>	<u>31 December 2023</u>
Trade goods	6,877,330	6,843,810
Impairment of inventories (-)	(48,485)	(63,398)
	<u>6,828,845</u>	<u>6,780,412</u>

The movement of allowance for impairment on inventory for the six-month period ended 30 June 2024 and 2023 are as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance	63,398	58,507
Charge of the period	1,790	38,183
Provision used	(16,703)	(12,120)
Closing balance	<u>48,485</u>	<u>84,570</u>

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7. PROPERTY, PLANT AND EQUIPMENT

	Plant, Machinery and Equipment	Other Property, Plant and Equipment	Construction in Progress	Total
<u>Cost</u>				
Opening balance, 1 January 2024	10,367,350	2,230,713	93,525	12,691,588
Additions	233,902	651	67,255	301,808
Transfers (Note 9)	63,868	-	(64,371)	(503)
Disposals (*)	(97,372)	(11,321)	-	(108,693)
Closing balance, 30 June 2024	<u>10,567,748</u>	<u>2,220,043</u>	<u>96,409</u>	<u>12,884,200</u>
<u>Accumulated depreciation</u>				
Opening balance, 1 January 2024	(7,762,542)	(1,210,642)	-	(8,973,184)
Charge of the period	(414,857)	(26,512)	-	(441,369)
Disposals (*)	80,311	10,762	-	91,073
Closing balance, 30 June 2024	<u>(8,097,088)</u>	<u>(1,226,392)</u>	<u>-</u>	<u>(9,323,480)</u>
Net book value, 1 January 2024	<u>2,604,808</u>	<u>1,020,071</u>	<u>93,525</u>	<u>3,718,404</u>
Net book value, 30 June 2024	<u>2,470,660</u>	<u>993,651</u>	<u>96,409</u>	<u>3,560,720</u>

As of 30 June 2024, TL 1,191,593 (30 June 2023: TL 1,098,416) of depreciation and amortization expenses is included in marketing expenses and TL 233,915 (30 June 2023: TL 180,388) of depreciation and amortization expenses is included in general administrative expenses.

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

As of 30 June 2024, total insurance amount over property, plant and equipment is TL 11,050,232 (31 December 2023: TL 6,289,802). As of 30 June 2024 and 31 December 2023 there is no mortgage on property, plant and equipment.

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7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Plant, Machinery and Equipment	Other Property, Plant and Equipment	Construction in Progress	Total
<u>Cost</u>				
Opening balance, 1 January 2023	10,055,450	2,347,102	60,811	12,463,363
Additions	353,853	190	61,283	415,326
Transfers (Note 9)	46,691	-	(46,737)	(46)
Disposals (*)	(187,176)	(71,305)	-	(258,481)
Closing balance, 30 June 2023	<u>10,268,818</u>	<u>2,275,987</u>	<u>75,357</u>	<u>12,620,162</u>
<u>Accumulated depreciation</u>				
Opening balance, 1 January 2023	(7,676,954)	(1,200,423)	-	(8,877,377)
Charge of the period	(366,497)	(33,662)	-	(400,159)
Disposals (*)	165,371	19,105	-	184,476
Closing balance, 30 June 2023	<u>(7,878,080)</u>	<u>(1,214,980)</u>	<u>-</u>	<u>(9,093,060)</u>
Net book value, 1 January 2023	<u>2,378,496</u>	<u>1,146,679</u>	<u>60,811</u>	<u>3,585,986</u>
Net book value, 30 June 2023	<u>2,390,738</u>	<u>1,061,007</u>	<u>75,357</u>	<u>3,527,102</u>

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

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8. LEASES

<u>Cost</u>	Buildings	Vehicles	Total
Opening balance, 1 January 2024	10,868,562	159,943	11,028,505
Additions	1,026,497	77,279	1,103,776
Disposals	(219,361)	-	(219,361)
Closing balance, 30 June 2024	11,675,698	237,222	11,912,920
<u>Accumulated depreciation</u>			
Opening balance, 1 January 2024	(5,890,539)	(159,943)	(6,050,482)
Charge of the period	(845,766)	(38,640)	(884,406)
Disposals	137,125	-	137,125
Closing balance, 30 June 2024	(6,599,180)	(198,583)	(6,797,763)
Net book value, 1 January 2024	4,978,023	-	4,978,023
Net book value, 30 June 2024	5,076,518	38,639	5,115,157
<u>Cost</u>			
	Buildings	Vehicles	Total
Opening balance, 1 January 2023	8,871,927	103,776	8,975,703
Additions	1,350,816	56,167	1,406,983
Disposals	(130,093)	-	(130,093)
Closing balance, 30 June 2023	10,092,650	159,943	10,252,593
<u>Accumulated depreciation</u>			
Opening balance, 1 January 2023	(4,414,266)	(103,776)	(4,518,042)
Charge of the period	(761,905)	(28,083)	(789,988)
Disposals	57,369	-	57,369
Closing balance, 30 June 2023	(5,118,802)	(131,859)	(5,250,661)
Net book value, 1 January 2023	4,457,661	-	4,457,661
Net book value, 30 June 2023	4,973,848	28,084	5,001,932

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

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9. INTANGIBLE ASSETS

<u>Cost</u>	<u>Intangible Assets</u>
Opening balance, 1 January 2024	2,191,413
Additions	83,907
Transfers (Note 7)	503
Disposals	(16,225)
Closing balance, 30 June 2024	<u>2,259,598</u>
<u>Accumulated amortization</u>	
Opening balance, 1 January 2024	(1,845,156)
Charge for the period	(99,733)
Disposals	14,440
Closing balance, 30 June 2024	<u>(1,930,449)</u>
Net book value, 1 January 2024	<u>346,257</u>
Net book value, 30 June 2024	<u>329,149</u>

<u>Cost</u>	<u>Intangible Assets</u>
Opening balance, 1 January 2023	1,982,334
Additions	114,897
Transfers (Note 7)	46
Disposals	(499)
Closing balance, 30 June 2023	<u>2,096,778</u>
<u>Accumulated amortization</u>	
Opening balance, 1 January 2023	(1,678,341)
Charge for the period	(88,657)
Disposals	479
Closing balance, 30 June 2023	<u>(1,766,519)</u>
Net book value, 1 January 2023	<u>303,993</u>
Net book value, 30 June 2023	<u>330,259</u>

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

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10. GOODWILL

Goodwill amount is consisted of following investments:

<u>Investments:</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Kiler Alışveriş	2,420,427	2,420,427
Gima	1,036,123	1,036,123
Alpark	303,050	303,050
	<u>3,759,600</u>	<u>3,759,600</u>

11. CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions as of 30 June 2024 and 31 December 2023 are as follows:

<u>Short Term Provisions</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Provision for litigations and other risks	100,974	94,245
Provision for personnel and social security litigations	55,469	41,984
	<u>156,443</u>	<u>136,229</u>

Movements of other short-term provisions for the six-month period ended 30 June 2024 and 2023 are as follows:

	<u>Provision for litigations and other risks</u>	<u>Provision for personnel and social security litigations</u>	<u>Total</u>
Opening balance, 1 January 2024	94,246	41,983	136,229
Charge of the period	28,477	27,227	55,704
Current year reversal / charge	(3,274)	(5,794)	(9,068)
Inflation effect	(18,475)	(7,947)	(26,422)
Closing balance, 30 June 2024	<u>100,974</u>	<u>55,469</u>	<u>156,443</u>

	<u>Provision for litigations and other risks</u>	<u>Provision for personnel and social security litigations</u>	<u>Total</u>
Opening balance, 1 January 2023	97,248	60,104	157,352
Charge of the period	10,007	7,835	17,842
Current year reversal / charge	(153)	(9,886)	(10,039)
Inflation effect	(16,046)	(9,384)	(25,430)
Closing balance, 30 June 2023	<u>91,056</u>	<u>48,669</u>	<u>139,725</u>

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11. CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent Assets and Liabilities

There are lawsuits which are filed against the Company and continuing as at balance sheet date. As of 30 June 2024, there are 619 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 156,443. Primary lawsuits consist of the cases with Social Security Institution, debt, rent and labor cases. The remaining amount is recognized as risk provision.

Provisions for employment benefits as of 30 June 2024 and 31 December 2023 are as follows:

<u>Short Term Provisions for Employee Benefits</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Unused vacation provision	37,765	15,410
	<u>37,765</u>	<u>15,410</u>
<u>Long Term Provisions for Employee Benefits</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Employment termination benefit provision	764,201	620,071
	<u>764,201</u>	<u>620,071</u>

Movement for employment termination benefit provision for the six-month period ended 30 June 2024 and 2023 are as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance, 1 January	620,071	817,996
Service cost	111,794	152,036
Interest cost	76,490	37,381
Actuarial loss	241,470	348,135
Employment termination benefits paid	(130,663)	(370,751)
Inflation effect	<u>(154,961)</u>	<u>(158,296)</u>
Closing balance, 30 June	<u>764,201</u>	<u>826,501</u>

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12. COMMITMENTS

CPMs given by the Group

	<u>30 June 2024</u>	<u>31 December 2023</u>
A. Total amount of CPMs given on behalf of its own legal entity	1,078,891	1,026,775
B. Total Amount of CPMs given in favor of partnerships included in the full consolidation scope	-	-
C. Total amount of CPMs given in order to secure the debt of other third parties in order to carry out ordinary commercial activities	-	-
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the parent company	-	-
ii. Total amount of CPMs given in favor of other group companies that are not in the scope of B and C	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in the scope of article C	-	-
	<u>1,078,891</u>	<u>1,026,775</u>

30 June 2024

	Total TL	TL	USD (TL Equivalent)	EUR (TL Equivalent)
Letter of guarantees	1,078,891	1,068,874	8,045	1,972
	<u>1,078,891</u>	<u>1,068,874</u>	<u>8,045</u>	<u>1,972</u>

31 December 2023

	Total TL	TL	USD (TL Equivalent)	EUR (TL Equivalent)
Letter of guarantees	1,026,775	1,017,593	8,979	203
	<u>1,026,775</u>	<u>1,017,593</u>	<u>8,979</u>	<u>203</u>

As of 30 June 2024, the ratio of other CPMs given by the Company to the Company's equity is 0% (31 December 2023: 0%).

13. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities as of 30 June 2024 and 31 December 2023 are as follows:

<u>Employee Benefit Liabilities</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Personnel salary and premium payables	395,561	326,192
Payables to personnel and social security premiums payable	306,004	240,287
	<u>701,565</u>	<u>566,479</u>

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

Deferred income as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
<u>Deferred Income</u>		
Income for future periods (*)	167,302	163,354
Liabilities for shopping bonus	10,423	7,048
	<u>177,725</u>	<u>170,402</u>

(*) 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.

15. SHAREHOLDERS' EQUITY

a) Capital

Shareholder structure as of 30 June 2024 and 31 December 2023 is stated below:

Shareholders	(%)	30 June 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
		<u>127,774</u>		<u>127,774</u>
Nominal share capital	<u>100.00</u>	<u>127,774</u>	<u>100.00</u>	<u>127,774</u>

(*) The capital of the Company as of 30 June 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 Kuruş. The registered capital ceiling of the company is TL 635,000 and the registered capital ceiling permission is valid between 2020/2024 (5 years).

At the Extraordinary General Assembly Meeting held on 19 November 2020, it was decided to reduce the Company's issued capital of TL 700,000 by TL 595,756 to TL 104,244 and simultaneously with this capital reduction, a capital increase of TL 23,530 in total, fully paid in cash at a nominal value of 1 Kuruş, was made, making the issued capital TL 127,774. The results of the Extraordinary General Assembly Meeting were registered with the document numbered 180917 of the Istanbul Trade Registry Office of the Republic of Turkey on 23 December 2020.

The previously issued capital of TL 700,000 was reduced by a total of TL 595,756 to TL 104,244 as a result of the offsetting of TL 586,161 from the fully paid capital by recording it as a credit to the capital inflation adjustment differences account and TL 9,595 to the tangible fixed asset revaluation increases account, with the approval of the CMB, and simultaneously, a capital increase of TL 23,530 was made, fully covered in cash, and increased to TL 127,774.

There has not been any fund outflow from the Company due to the capital decrease. As a result of the capital increase of the Company, a cash inflow of TL 400,503 was obtained. Transaction cost of TL 1,018 was incurred for this transaction.

(*) The amounts stated in the above paragraphs are expressed in purchasing power at the transaction date.

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15. SHAREHOLDERS’ EQUITY (Continued)

The inflation adjustment on share capital as of 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Inflation adjustment to share capital	15,901,383	15,901,383
	<u>15,901,383</u>	<u>15,901,383</u>

As of 30 June 2024 and 31 December 2023, inflation adjustment to share capital amounting to TL 15,901,383 consist of inflation adjustments resulting from the restatement of the Company’s paid-in capital and not deducted from retained losses or added to share capital.

b) Retained Losses

	<u>30 June 2024</u>	<u>31 December 2023</u>
Opening balance	(12,926,394)	(14,374,439)
Transfers	1,502,054	1,448,045
Closing balance	<u>(11,424,340)</u>	<u>(12,926,394)</u>

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 periods’ profits / losses.

c) Restricted Reserves Appropriated from Profit

	<u>30 June 2024</u>	<u>31 December 2023</u>
Legal reserves	145,006	145,006
	<u>145,006</u>	<u>145,006</u>

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 30 June 2024, it consists of actuarial losses recognized as other comprehensive expense related to employment termination benefit provision amounting to TL 952,544 (31 December 2023: TL 771,442).

	<u>30 June 2024</u>	<u>31 December 2023</u>
Actuarial losses	(952,544)	(771,442)
	<u>(952,544)</u>	<u>(771,442)</u>

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16. REVENUE AND COST OF SALES

REVENUE	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Revenue operation sales	27,706,049	14,612,995	26,628,948	14,203,911
Sales returns	(166,920)	(88,497)	(191,532)	(97,982)
Sales discount	(113,119)	(63,319)	(119,806)	(63,956)
Loyalty program discounts	(108,083)	(61,124)	(59,676)	(29,828)
Sublease income	50,156	25,093	53,128	26,176
	<u>27,368,083</u>	<u>14,425,148</u>	<u>26,311,062</u>	<u>14,038,321</u>

The Company meets its performance obligations over time and at a certain moment by transferring goods and services.

COST OF SALES	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Opening balance of inventories	(6,780,412)	(7,481,168)	(6,124,192)	(7,265,192)
Purchases	(21,309,109)	(10,555,916)	(21,954,153)	(11,108,333)
Net change in provision for inventory impairment (Note 6)	14,913	15,595	(26,063)	(5,384)
Closing balance of inventories	<u>6,828,845</u>	<u>6,828,845</u>	<u>7,176,470</u>	<u>7,176,470</u>
	<u>(21,245,763)</u>	<u>(11,192,644)</u>	<u>(20,927,938)</u>	<u>(11,202,439)</u>

17. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

Operating expenses for the interim periods ended 30 June 2024 and 30 June 2023 are as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Marketing expenses	(6,115,781)	(3,098,759)	(5,485,265)	(2,681,237)
General administrative expenses	(836,015)	(397,783)	(782,606)	(376,326)
	<u>(6,951,796)</u>	<u>(3,496,542)</u>	<u>(6,267,871)</u>	<u>(3,057,563)</u>

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17. MARKETING AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Marketing Expenses</u>				
Personnel expenses	(3.180.576)	(1.603.178)	(2.721.077)	(1.318.030)
Depreciation and amortization expenses	(1.191.593)	(592.375)	(1.098.416)	(550.365)
Rent expenses	(491.981)	(269.353)	(450.122)	(241.731)
Utility expenses	(422.934)	(210.876)	(544.636)	(231.037)
Advertising expenses	(263.132)	(140.324)	(211.863)	(121.706)
Outsourced expenses	(184.127)	(87.955)	(144.411)	(69.390)
Repair and maintenance expenses	(96.346)	(55.061)	(80.175)	(39.952)
Information technologies expenses	(67.546)	(28.448)	(60.233)	(23.488)
Insurance expenses	(46.369)	(23.424)	(31.494)	(13.953)
Consumable expenses	(44.361)	(22.296)	(54.536)	(22.319)
Travel expenses	(23.212)	(12.229)	(10.990)	(5.843)
Taxation and other liabilities	(14.226)	(9.337)	(15.805)	(7.849)
Consultancy expenses	(13.688)	(7.494)	(2.946)	(2.660)
Decoration material expenses	(13.274)	(5.348)	(15.584)	(7.592)
Communication expenses	(821)	(410)	(572)	(283)
Other expenses	(61.595)	(30.651)	(42.405)	(25.039)
	<u>(6.115.781)</u>	<u>(3.098.759)</u>	<u>(5.485.265)</u>	<u>(2.681.237)</u>

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>General Administrative Expenses</u>				
Personnel expenses	(385.229)	(180.980)	(300.581)	(133.482)
Depreciation and amortization expenses	(233.915)	(114.918)	(180.388)	(92.172)
Information technologies expenses	(107.689)	(47.830)	(106.352)	(55.140)
Consultancy expenses	(48.822)	(22.946)	(110.030)	(53.334)
Travel expenses	(21.488)	(9.805)	(28.121)	(14.406)
Advertising expenses	(12.555)	(7.426)	(8.909)	(4.222)
Outsourced expenses	(6.393)	(2.952)	(5.010)	(2.495)
Utility expenses	(5.351)	(2.285)	(6.486)	(5.447)
Insurance expenses	(4.779)	(1.982)	(6.708)	(2.175)
Consumable expenses	(2.128)	(985)	(1.932)	(1.103)
Taxation and other liabilities	(1.771)	(1.106)	(1.779)	(829)
Repair and maintenance expenses	(1.327)	(783)	(2.712)	(889)
Rent expenses	(1.005)	(574)	(1.267)	(738)
Communication expenses	(435)	(178)	(716)	(305)
Decoration material expenses	(201)	(139)	(81)	(30)
Other expenses	(2.927)	(2.894)	(21.534)	(9.559)
	<u>(836.015)</u>	<u>(397.783)</u>	<u>(782.606)</u>	<u>(376.326)</u>

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18. EXPENSES BY NATURE

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Personnel expenses	(3,565,805)	(1,784,158)	(3,021,658)	(1,451,512)
Depreciation and amortization expenses	(1,425,508)	(707,293)	(1,278,804)	(642,538)
Rent expenses	(492,986)	(269,928)	(451,389)	(451,389)
	<u>(5,484,299)</u>	<u>(2,761,379)</u>	<u>(4,751,851)</u>	<u>(2,545,439)</u>

19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income and expenses from operating activities for the interim accounting periods ended 30 June 2024 and 2023 are as follows:

<u>Other Operating Income</u>	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Rediscount income	73,678	18,758	8,377	6,257
Foreign exchange gain from operational activities	55,106	10,855	169,045	152,877
Franchise income	30,573	16,935	20,826	12,084
Income from rental agreement termination	4,964	3,350	4,458	258
Provisions released	254	254	-	-
Concessions for rent payments	-	-	133	32
Other income and profit	41,852	22,310	32,845	21,922
	<u>206,427</u>	<u>72,462</u>	<u>235,684</u>	<u>193,430</u>

<u>Other Operating Expenses (-)</u>	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Interest expense on forward purchases (*)	(1,730,850)	(912,484)	(580,164)	(311,970)
Foreign exchange losses from operational activities	(48,568)	(10,667)	(120,224)	(110,031)
Reversal of income accrual of Competition Authority fine	-	-	(91,678)	(91,678)
Provision expenses (**)	(833)	(730)	(5,234)	(3,466)
Earthquake donation expenses	-	-	(3,447)	-
Interest expenses from operational activities	(1,376)	(746)	(2,459)	(1,245)
Other expenses and losses	(223,269)	(138,509)	(172,739)	(92,636)
	<u>(2,004,896)</u>	<u>(1,063,136)</u>	<u>(975,945)</u>	<u>(611,026)</u>

(*) 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 48.5% (2023: 9.7%).

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

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20. FINANCE INCOME

Finance income for the interim periods ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Finance income</u>				
Interest income	27,850	17,477	19,192	8,657
Foreign exchange income	13,008	279	-	-
	<u>40,858</u>	<u>17,756</u>	<u>19,192</u>	<u>8,657</u>

21. FINANCE EXPENSES

Finance costs for the interim periods ended 30 June 2024 and 2023 are as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Finance expenses</u>				
Interest expenses (Note 4)	(1,180,381)	(703,566)	(344,260)	(188,164)
Interest expenses on lease liabilities (Note 4)	(343,823)	(166,372)	(394,447)	(210,105)
Credit card commission costs	(110,790)	(56,204)	(43,039)	(28,929)
Foreign exchange expenses	(5,699)	(5,699)	-	-
	<u>(1,640,693)</u>	<u>(931,841)</u>	<u>(781,746)</u>	<u>(427,198)</u>

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

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Tax Income of the Period</u>				
Corporate tax expense of the current period	-	-	-	-
Deferred tax income	216,998	225,294	(77,591)	(3,759)
Tax income from continuing operations	<u>216,998</u>	<u>225,294</u>	<u>(77,591)</u>	<u>(3,759)</u>

Corporate Tax:

The Company is subject to tax legislation and practices effective in Türkiye. 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 quarterly 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 debt owed to the state.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporate Tax (Continued):

In Türkiye, 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 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 Vehicle Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and Decree Law No. 375” and corporate tax rate was increased to 25%, starting from the declarations 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 30 June 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 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, 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 Türkiye, 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 Türkiye, 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 Türkiye are subject to 10% income tax.

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

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporate Tax (Continued):

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 recognized 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 Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Corporate tax returns are filed 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 Türkiye, and those made to companies residing in Türkiye. 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 considered. The addition of retained earnings to the capital is not considered a profit distribution, therefore it is not subject to withholding tax.

Transfer pricing regulations

In Türkiye, 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 30 June 2024 and 31 December 2023, the Company has no tax liability for the period.

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 condensed 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.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Deferred Tax Assets and Liabilities (continued):

Deferred tax calculation for the periods ended 30 June 2024 and 31 December 2023 is as follows:

<u>The basis for deferred tax timing differences:</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Provision for other liabilities	221,513	232,076
Provision for impairment in fixed assets	29,616	29,616
Inventory valuation differences	407,411	159,181
Other current assets	309,791	270,958
Provision for employment termination benefit	764,201	620,071
Property, plant and equipment and intangible assets	(128,421)	43,953
Right of use assets	(5,115,157)	(4,978,023)
Other current liabilities	(201,044)	288,851
Finance lease liabilities	2,865,932	2,825,627
Carry forward tax losses	2,723,247	1,200,334
Other	(54,827)	20,158
	<u>1,822,262</u>	<u>712,802</u>

<u>Deferred tax assets / (liabilities) :</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Provision for other liabilities	55,378	58,019
Provision for impairment in fixed assets	7,404	7,404
Inventory valuation differences	101,853	39,795
Other current assets	77,448	67,740
Provision for employment termination benefit	191,050	155,018
Property, plant and equipment and intangible assets	(32,105)	10,988
Right of use assets	(1,278,789)	(1,244,506)
Other current liabilities	(50,261)	72,213
Finance lease liabilities	716,483	706,407
Carry forward tax losses	680,812	300,084
Other	(13,707)	5,038
	<u>455,566</u>	<u>178,200</u>

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 680,812 (31 December 2023: TL 300,084) are recognized in the condensed financial statements.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
2024	182,259	227,340
2025	154,997	193,336
2026	213,633	266,475
2028	411,418	513,183
2029	1,760,940	-
	<u>2,723,247</u>	<u>1,200,334</u>

The movements of deferred tax asset as of and for the six-month period ended 30 June 2024 and 2023 are as follows:

<u>Deferred tax asset:</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance at 1 January	178,200	(269,946)
Income for the period	216,998	(77,591)
Tax income attributable to equity	60,368	69,627
Closing balance at 30 June	<u>455,566</u>	<u>(277,910)</u>

23. (LOSS) / EARNING PER SHARE

Weighted average number of shares and basic earnings per share for the periods ended 30 June 2024 and 30 June 2023 are as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Number of shares in circulation-		
As of the beginning of the period (Note 15)	12,777,376,572	12,777,376,572
Issued shares	-	-
Number of shares in circulation-		
As of the end of the period (total)	12,777,376,572	12,777,376,572
Weighted average number of shares outstanding (Note 15)	12,777,376,572	12,777,376,572
Net (loss) / profit for the period (TL)	(989,792)	3,148
(Loss) / profit per share of 1 KR (Full)	<u>(0.0775)</u>	<u>0.0002</u>
(Loss) / profit per share of 1 TL (Full)	<u>(7.7464)</u>	<u>0.0246</u>

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24. RELATED PARTY DISCLOSURES

<u>Cash and cash equivalents (Note 3)</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Akbank T.A.Ş.	163,065	527,538
	<u>163,065</u>	<u>527,538</u>
<u>Financial Liabilities (Note 4)</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Akbank T.A.Ş.	-	64,474
	<u>-</u>	<u>64,474</u>
<u>Trade receivables from related parties (Note 5)</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Carrefour World Trade	75,555	33,066
Majid Al Futtaim Hypermarkets Llc U	30,716	36,652
MAF Hypermarkets	9,144	-
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	881	-
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	529	363
Carrefour Global Sourcing Asia	296	376
Akbank T.A.Ş.	273	194
Ak Finansal Kiralama A.Ş.	36	44
Carrefour Polska Sp. z o. o.	8	330
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	1	1,930
Akçansa Çimento Sanayi ve Ticaret A.Ş.	-	11,541
Agesa Hayat ve Emeklilik A.Ş.	-	127
Other	966	170
	<u>118,405</u>	<u>84,793</u>
<u>Short term trade payables to related parties (Note 5)</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Akbank T.A.Ş.	116,535	167,847
Teknosa İç ve Dış Ticaret A.Ş.	18,019	4,599
Aksigorta A.Ş.	1,688	6,743
Sabancı Dijital Teknoloji Hizmetler A.Ş.	6,574	44,745
Agesa Hayat ve Emeklilik A.Ş.	56	4
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	42	14,101
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş.	5	6
Other	389	293
	<u>143,308</u>	<u>238,338</u>
<u>Other short term payables to related parties</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Hacı Ömer Sabancı Holding A.Ş.	150,500	59,554
Carrefour Partenariat International	64,546	34,460
	<u>215,046</u>	<u>94,014</u>

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24. RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Purchases from related parties (goods)</u>				
Teknosa İç ve Dış Ticaret A.Ş.	18,852	18,852	54,506	30,126
	<u>18,852</u>	<u>18,852</u>	<u>54,506</u>	<u>30,126</u>
<u>Purchases from related parties (services)</u>				
Aksigorta A.Ş.	50,700	25,126	38,839	16,151
Sabancı Dijital Teknoloji Hizmetler A.Ş.	8,637	4,707	9,913	2,520
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	6,399	3,530	240,783	74,852
Teknosa İç ve Dış Ticaret A.Ş.	399	79	493	360
	<u>66,135</u>	<u>33,442</u>	<u>290,028</u>	<u>93,883</u>
<u>Rent income from related parties</u>				
Teknosa İç ve Dış Ticaret A.Ş.	2,817	1,339	3,412	1,635
Akbank T.A.Ş.	2,755	244	2,970	250
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	460	177	-	-
	<u>6,032</u>	<u>1,760</u>	<u>6,382</u>	<u>1,885</u>
<u>Other income from related parties</u>				
Carrefour World Trade	80,840	38,820	87,370	53,991
Majid Al Futtaim Hypermarkets Llc U	44,767	16,578	23,823	16,818
MAF Hypermarkets	20,947	7,455	-	-
Agesa Hayat ve Emeklilik A.Ş.	5,082	86	6,751	3,954
Enerjisa İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	4,237	51	3,668	3,589
Teknosa İç ve Dış Ticaret A.Ş.	4,092	1,839	6,692	3,877
Hacı Ömer Sabancı Holding A.Ş.	3,335	2,229	25,118	24,520
Eşarj Elektrikli Araçlar Şarj Sistemleri A.Ş.	2,373	993	-	-
Carrefour Polska Sp. z o. o.	2,391	-	6,566	4,140
Aksigorta A.Ş.	1,980	71	5,723	4,219
Carrefour Global Sourcing Asia	1,890	796	1,384	697
Kordsa Teknik Tekstil A.Ş.	1,426	-	5,903	3,994
Akbank T.A.Ş.	1,357	395	4,097	1,617
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	1,151	45	2,574	1,219
Sabancı Dijital Teknoloji Hizmetler A.Ş.	832	398	2,783	2,287
Çimsa Çimento Sanayi ve Ticaret A.Ş.	576	27	1,087	293
GLOBAL RETAIL C.I. LTD	484	-	-	-
LABEL'VIE	471	-	-	-
Ak Yatırım Menkul Değerler A.Ş.	403	211	335	335
Akçansa Çimento Sanayi ve Ticaret A.Ş.	142	6	5,172	4,743
Afyon Çimento Sanayii Türk A.Ş.	79	-	2,901	2,901
Brisa-Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.	54	-	2,312	1,756
Exsa Export Sanayi Mamulleri Satış	-	-	4,713	4,713
Other	500	396	772	558
	<u>179,409</u>	<u>70,396</u>	<u>199,744</u>	<u>140,221</u>

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24. RELATED PARTY DISCLOSURES (Continued)

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Other expenses to related parties</u>				
Hacı Ömer Sabancı Holding A.Ş.	94,403	49,871	90,440	48,401
Carrefour Partenariat International	76,803	40,581	73,297	39,393
Other	40	29	25	12
	<u>171,246</u>	<u>90,481</u>	<u>163,762</u>	<u>87,806</u>

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
<u>Interest income from related parties</u>				
Akbank T.A.Ş.	9,009	8,390	123	108
	<u>9,009</u>	<u>8,390</u>	<u>123</u>	<u>108</u>

Interest expense and credit card commission to related parties

Akbank T.A.Ş.	63,212	29,108	40,160	23,074
	<u>63,212</u>	<u>29,108</u>	<u>40,160</u>	<u>23,074</u>

The Company key management consists of executive board and board of directors. The total amount of benefits for the key management personnel in the current period is as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Salaries and other short term benefits	46,407	11,221	41,761	11,410
Other long term benefits	1,219	584	1,978	954
	<u>47,626</u>	<u>11,805</u>	<u>43,739</u>	<u>12,364</u>

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign Currency Risk

Foreign currency denominated transactions create foreign exchange risks.

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

	30 June 2024		
	TL Equivalentents (Functional currency)	USD	EUR
1. Trade receivables	226,384	3,101	3,546
2. Liquid assets	102,995	1,278	1,738
3. CURRENT ASSETS (1+2)	329,379	4,379	5,284
4. Other	176,828	4,531	800
5. NON-CURRENT ASSETS	176,828	4,531	800
6. TOTAL ASSETS (3+5)	506,207	8,910	6,084
7. Trade payables	180,313	4,283	1,122
8. Other payables	64,546	-	1,834
9. Financial liabilities	660,966	-	18,815
10. Non-monetary other liabilities	25,464	627	138
11. CURRENT LIABILITIES (7+8+9+10)	931,289	4,910	21,909
12. Financial liabilities	59,488	-	1,690
13. NON-CURRENT LIABILITIES	59,488	-	1,690
14. TOTAL LIABILITIES (11+13)	990,777	4,910	23,599
15. Net foreign currency asset / liability position (6-14)	(484,570)	4,000	(17,515)
16. Net monetary foreign currency asset / liability position (6-14-10)	(510,034)	3,373	(17,653)

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk (Continued)

	31 December 2023		
	TL Equivalentents (Functional currency)	USD	EUR
1. Trade receivables	170,685	2,632	1,822
2. Liquid assets	306,453	4,033	3,897
3. CURRENT ASSETS (1+2)	477,138	6,665	5,719
4. Other	198,871	4,531	800
5. NON-CURRENT ASSETS	198,871	4,531	800
6. TOTAL ASSETS (3+5)	676,009	11,196	6,519
7. Trade payables	148,742	3,781	237
8. Other payables	34,460	-	847
9. Financial liabilities	5,666	-	139
10. Non-monetary other liabilities	25,450	636	50
11. CURRENT LIABILITIES (7+8+9+10)	214,318	4,417	1,273
12. Financial liabilities	77,150	-	1,899
13. NON-CURRENT LIABILITIES	77,150	-	1,899
14. TOTAL LIABILITIES (11+13)	291,468	4,417	3,172
15. Net foreign currency asset / liability position (6-14)	384,541	6,779	3,347
16. Net monetary foreign currency asset / liability position (6-14-10)	359,091	6,143	3,297

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk (Continued)

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.

30 June 2024

	Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TL		
1 - US Dollar net asset / liability	13,102	(13,102)
2- Amount hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	13,102	(13,102)
In case of 10% appreciation of EUR against TL		
4 - Euro net asset / liability	(61,559)	61,559
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	(61,559)	61,559
TOTAL (3 + 6)	(48,457)	48,457

31 December 2023

	Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TL		
1 - US Dollar net asset / liability	24,862	(24,862)
2- Amount hedged from US Dollar risk (-)	-	-
3- US Dollar net effect (1 +2)	24,862	(24,862)
In case of 10% appreciation of EUR against TL		
4 - Euro net asset / liability	13,592	(13,592)
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4 +5)	13,592	(13,592)
TOTAL (3 + 6)	38,454	(38,454)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts are expressed in thousands of Turkish Lira (“TL”) with the purchasing power as of 30 June 2024, unless otherwise stated.)

25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (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.

Trade receivables are presented netted off related doubtful portion of the receivable and are assumed to reflect their fair value.

Financial liabilities

Short term TL denominated, fixed and variable interest rate bank borrowings are assumed to converge to its 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

“IFRS 7 – Financial Instruments: Disclosure” requires the companies to disclose the classification and hierarchy of the data used in determining the fair values of the financial instruments. 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).

26. EVENTS AFTER REPORTING PERIOD

“Law on Amendments to Tax Laws No. 7524 and Certain Laws and Legislative Decree No. 375” was published in the Official Gazette dated 2 August 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Company evaluates the impact of the amendments on its financial statements.

The Company has made a bond issuance on 13 August 2024, amounting to TL 400,000 with a maturity of 365 days, 53.00% fixed interest and redemption date of 13 August 2025.