

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

ARÇELİK ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - MARCH 31, 2024**

ARÇELİK ANONİM ŞİRKETİ

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2024, AND DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

		Unaudited	Audited
	Notes	March 31, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	4	46,600,785	56,141,588
Trade receivables			
-Due from related parties	27	550,018	662,366
-Trade receivables, third parties	8	72,528,236	75,878,382
Other receivables			
-Other receivables, third parties		525,975	376,804
Derivative instruments	7	67,358	521,628
Inventories	10	51,824,145	54,596,172
Prepaid expenses	16	4,194,113	2,751,349
Current income tax assets	17	843,954	1,986,325
Other current assets	19	3,740,720	4,214,617
Total current assets		180,875,304	197,129,231
Non-current assets:			
Financial investments	5	146,109	163,091
Trade receivables			
-Trade receivables, third parties	8	38,891	39,262
Investments accounted for using the equity method	11	2,096,673	1,675,461
Property, plant and equipment	12	50,352,089	51,307,739
Intangible assets			
-Goodwill		7,929,594	8,364,323
-Other intangible assets	13	22,752,671	22,896,972
Prepaid expenses	16	5,479,474	5,770,782
Deferred tax assets	25	9,654,231	9,470,956
Other non-current assets		219,181	205,013
Total non-current assets		98,668,913	99,893,599
Total assets		279,544,217	297,022,830

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

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

ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2024, AND DECEMBER 31, 2023

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

		Unaudited	Audited
	Notes	March 31,	December 31,
		2024	2023
LIABILITIES			
Current liabilities:			
Short-term borrowings	6	48,556,938	59,242,908
Short-term portion of long-term borrowings	6	8,986,968	6,859,292
Trade payables			
-Due to related parties	27	5,090,431	6,013,536
-Trade payables, third parties	8	56,818,440	56,356,484
Derivative instruments	7	402,236	147,824
Employee benefit obligations	18	3,347,919	4,897,017
Other payables			
-Other payables, related parties		2,411	280,375
-Other payables, third parties	9	3,848,838	4,603,744
Current income tax liabilities	25	297,469	485,382
Provisions			
-Other provisions	15	7,556,949	7,304,378
Other current liabilities	19	11,241,289	12,367,999
Total current liabilities		146,149,888	158,558,939
Non-current liabilities:			
Long-term borrowings	6	49,220,623	51,158,615
Provisions			
-Provision for employee benefits		3,382,963	3,912,525
-Other provisions	15	1,420,149	1,434,811
Derivative instruments	7	552,685	894,514
Deferred tax liabilities	25	3,658,530	3,898,442
Other non-current liabilities	19	8,507,830	8,629,248
Total non-current liabilities		66,742,780	69,928,155
Total liabilities		212,892,668	228,487,094

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ARÇELİK ANONİM ŞİRKETİ

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

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

		Unaudited	Audited
	Notes	March 31, 2024	December 31, 2023
EQUITY			
Paid-in capital	20	675,728	675,728
Adjustment to share capital	20	18,090,272	18,090,272
Treasury shares	20	(9,182,977)	(9,182,977)
Share premium/discount			
Other accumulated comprehensive income and expense not to be reclassified to profit or loss			
Gains/ losses on revaluation and remeasurement			
-Gain/loss arising from defined benefit plans		(2,573,750)	(2,685,584)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
-Currency translation differences		26,796,425	29,086,470
Financial assets at fair value through other comprehensive income gains/(losses)		1,782	18,739
Gains/ losses on hedge			
-Gains/ losses on hedges of net investment in foreign operations		(11,240,692)	(10,672,098)
-Gains/ losses on cash flow hedges		(503,420)	(689,140)
Restricted reserves	20	14,533,987	14,533,987
Retained earnings		22,003,821	13,181,507
Net income for the period		395,111	8,822,314
Equity holders of the parent		58,996,287	61,179,218
Non-controlling interest		7,655,262	7,356,518
Total equity		66,651,549	68,535,736
Total liabilities and equity		279,544,217	297,022,830

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

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

ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED MARCH 31, 2024, AND 2023

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

	Notes	Unaudited	
		March 31, 2024	March 31, 2023
Net sales	3	72,265,241	68,968,892
Cost of sales		(50,818,300)	(49,127,012)
Gross profit		21,446,941	19,841,880
General administrative expenses		(4,293,459)	(4,383,465)
Marketing expenses		(13,387,951)	(12,357,880)
Research and development expenses		(612,226)	(640,158)
Other income from operating activities	21	3,296,850	1,263,697
Other expenses from operating activities	21	(3,685,514)	(2,082,969)
Operating profit		2,764,641	1,641,105
Income from investment activities	22	25,736	21,876
Expenses from investment activities	22	(25,476)	(37,008)
Share of profit/loss of investments accounted for using the equity method	11	(101,475)	(206,356)
Operating income before financial income/(expense)		2,663,426	1,419,617
Financial income	23	6,482,624	3,616,618
Financial expenses	24	(11,106,335)	(6,169,284)
Net monetary position gain/(loss)		3,240,861	2,810,247
Profit from continuing operations before tax		1,280,576	1,677,198
Tax income/(expense), continuing operations			
- Taxes on expense	25	(1,082,131)	(905,217)
- Deferred tax income/(expense)	25	339,977	662,998
Net income		538,422	1,434,979
Attributable to			
Non-controlling interest		143,311	144,235
Equity holders of the parent		395,111	1,290,744
Earnings per share (kurus)	26	0.651	2.127

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2024 AND 2023

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

	Unaudited	
	March 31, 2024	March 31, 2023
Net income	538,422	1,434,979
Other comprehensive income		
Not to be reclassified to profit or loss	147,457	(266,843)
Gain/ loss arising from defined benefit plans	144,518	(261,326)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	2,939	(5,517)
Not to be reclassified to profit or loss, tax effect	(35,623)	51,682
Gain/ loss arising from defined benefit plans, tax effect	(35,623)	51,682
To be reclassified to profit or loss	(2,662,576)	(4,594,633)
Currency translation differences	(2,273,941)	(4,411,668)
Other comprehensive income related with hedges of net investments in foreign operations	(758,131)	(110,626)
Other comprehensive income/(expense) related to financial assets at fair value through other comprehensive income	(17,460)	(15,657)
Other comprehensive income related with cash flow hedge	247,627	14,686
Share of other comprehensive income of investments accounted for using the equity method that will be reclassified to profit or loss	139,329	(71,368)
-Currency translation differences of investments accounted for using the equity method	139,329	(72,199)
-Gain/loss from cash flow hedges of investments accounted for using equity method	-	831
To be reclassified to profit or loss, tax effect	128,133	20,262
Other comprehensive income related with hedges of net investments in foreign operations, tax effect	189,537	22,127
Other comprehensive income related with cash flow hedge, tax effect	(61,907)	(2,448)
Other comprehensive income/(expense) related to financial assets at fair value through other comprehensive income, tax effect	503	583
Other comprehensive income/ (loss) (net of tax)	(2,422,609)	(4,789,532)
Total comprehensive income	(1,884,187)	(3,354,553)
Attributable to:		
Non-controlling interest	298,744	253,759
Equity holders of the parent	(2,182,931)	(3,608,312)

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ARÇELİK ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2024, AND 2023**

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

	Paid-in capital	Adjustment to share capital	Treasury shares	Other comprehensive income not to be reclassified under profit and loss	Other comprehensive income to be reclassified under profit and loss				Retained earnings		Equity holders of the parent	Non-controlling interest	Total equity
				Gain/(loss) arising from defined benefit plans	Gains/ losses on financial assets measured at fair value throughout comprehensive income	Gains/losses on hedge	Currency translation differences	Restricted reserves	Retained earnings	Net income			
Balance at January 1, 2023	675,728	18,090,272	(9,182,977)	(1,851,060)	35,809	(6,980,049)	29,514,212	14,982,061	8,224,885	7,232,320	60,741,201	6,041,048	66,782,249
Transfers	-	-	-	-	-	-	-	215,025	7,017,295	(7,232,320)	-	-	-
Total comprehensive income	-	-	-	(215,161)	(15,074)	(75,430)	(4,593,391)	-	-	1,290,744	(3,608,312)	253,759	(3,354,553)
Net income	-	-	-	-	-	-	-	-	-	1,290,744	1,290,744	144,235	1,434,979
Other comprehensive income	-	-	-	(215,161)	(15,074)	(75,430)	(4,593,391)	-	-	-	(4,899,056)	109,524	(4,789,532)
Increase/(decrease) due to acquisition of treasury shares	-	-	-	-	-	-	-	(741,558)	(1,982,213)	-	(2,723,771)	-	(2,723,771)
As of March 31, 2023	675,728	18,090,272	(9,182,977)	(2,066,221)	20,735	(7,055,479)	24,920,821	14,455,528	13,259,967	1,290,744	54,409,118	6,294,807	60,703,925
Balance at January 1, 2024	675,728	18,090,272	(9,182,977)	(2,685,584)	18,739	(11,361,238)	29,086,470	14,533,987	13,181,507	8,822,314	61,179,218	7,356,518	68,535,736
Transfers	-	-	-	-	-	-	-	-	8,822,314	(8,822,314)	-	-	-
Total comprehensive income	-	-	-	111,834	(16,957)	(382,874)	(2,290,045)	-	-	395,111	(2,182,931)	298,744	(1,884,187)
Net income	-	-	-	-	-	-	-	-	-	395,111	395,111	143,311	538,422
Other comprehensive income	-	-	-	111,834	(16,957)	(382,874)	(2,290,045)	-	-	-	(2,578,042)	155,433	(2,422,609)
As of March 31, 2024	675,728	18,090,272	(9,182,977)	(2,573,750)	1,782	(11,744,112)	26,796,425	14,533,987	22,003,821	395,111	58,996,287	7,655,262	66,651,549

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024, AND 2023

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

	Notes	Unaudited	
		January 1- March 31, 2024	January 1- March 31, 2023
Cash flows from operating activities:			
Net income:		538,422	1,434,979
<i>Adjustments to reconcile net cash provided from operating activities to net income after taxes</i>			
Adjustments for depreciation and amortisation expense	12,13	2,558,011	2,576,041
Adjustments for impairment loss	30	(9,553)	186,107
Adjustments for other provisions	30	1,634,548	1,081,867
Adjustments for interest income	23	(677,206)	(400,704)
Adjustments for interest expense	24	2,493,212	2,363,161
Adjustments for income arised from government grants	21	(84,476)	(81,947)
Adjustments for unrealised foreign exchange losses (gains)	23,24	2,006,733	604,206
Adjustments for fair value (gains) losses on derivative financial instruments	23,24	507,585	(62,432)
Adjustments for undistributed profits of investments accounted for using equity method	11	101,475	206,356
Adjustments for tax expense/income	25	742,154	242,219
Adjustments for losses (gains) on disposal of non-current assets	22	16,073	15,132
Other adjustments to reconcile profit (loss)	23,34	148,564	(85,628)
Adjustments for contingent liabilities	24	144,823	134,063
Adjustments relating to losses (gains) arising from the disposal or changes in interests in subsidiaries, joint ventures and financial investments	22	(16,333)	-
Monetary gain/(loss)		(16,968,238)	(8,490,069)
Adjustments regarding net profit reconciliation for the period		(6,864,206)	(276,649)
Changes in operating assets and liabilities:			
Adjustments for decrease (increase) in trade receivables		3,476,408	(1,490,449)
Adjustments for decrease (increase) in inventories		2,819,995	3,319,745
Decrease (increase) in prepaid expenses		(1,442,764)	(30,211)
Adjustments for increase (decrease) in trade payables		(218,312)	(2,988,442)
Increase (decrease) in employee benefit liabilities		(1,566,118)	(282,878)
Adjustments for increase (decrease) in other operating payables		(939,865)	(419,938)
Increase (decrease) in government grants and assistance		50,187	48,837
Other adjustments for other increase (decrease) in working capital		(249,436)	(2,074,759)
Income taxes refund (paid)		(35,279)	(359,054)
Cash flows from operating activities		(4,969,390)	(4,553,798)
Investing activities:			
Cashflow used in obtaining control of subsidiaries or other businesses		-	(1,475,912)
Cash outflows due to share acquisition or capital increase in affiliates and / or joint ventures	11	(420,990)	-
Cash outflows from purchases of property, plant and equipment and intangible assets		(2,946,730)	(2,614,444)
Cash inflows from sale of property, plant and equipment and intangible assets		57,040	118,233
Dividends received	11	44,993	28,223
Cash outflows for the acquisition of shares or debt instruments of other businesses or funds	5	(2,356)	-
Cash inflows for the acquisition of shares or debt instruments of other businesses or funds		17,399	-
Cash flows from investing activities		(3,250,644)	(3,943,900)
Financing activities:			
Proceeds from borrowings	6	5,537,712	15,808,328
Repayments of borrowings	6	(6,026,679)	(7,031,110)
Bonds issued	6	4,520,331	7,583,533
Payments of lease liabilities	6	(613,158)	(490,414)
Cash inflows from derivative instruments (net)		106,896	229,902
Interest paid		(2,799,764)	(2,507,927)
Interest received		689,682	495,465
Other inflows (outflows) of cash	23,24	(148,564)	85,628
Cash flows from financing activities		1,266,456	14,173,405
Inflation impact on cash and cash equivalents		(4,061,002)	(3,421,694)
Net increase/(decrease) in cash and cash equivalents before currency translation differences		(11,014,580)	2,254,013
Effect of currency translation differences		1,486,253	784,016
Net increase/(decrease) in cash and cash equivalents		(9,528,327)	3,038,029
Cash and cash equivalents at January 1	4	56,124,098	46,408,759
Cash and cash equivalents at March 31	4	46,595,771	49,446,788

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

ARÇELİK ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024, AND 2023

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

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Arçelik Anonim Şirketi (“Arçelik” or “the Company”) and its subsidiaries (collectively, “the Group”) undertake all commercial and industrial activities in respect of the production, sales and marketing, customer services after sales, exportation and importation of consumer durable goods and consumer electronics. The Group operates thirty-one manufacturing plants in Turkey, Romania, Russia, China, Republic of South Africa, Thailand, Pakistan, India and Bangladesh. The Company is controlled by Koç Holding A.Ş., the parent company, Koç Family and the companies owned by Koç Family (Note 20). The Company’s head office is located at: Karaağaç Caddesi No: 2-6 Söğütözü 34445 Beyoğlu Istanbul / Turkey.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa Istanbul (“BIST”) since 1986. As of March 31, 2024, the publicly listed shares are 25.15% of the total shares. (December 31, 2023: 25.15%) (Includes treasury shares of 10.19% as of March 31, 2024, and December 31, 2023)

The average number of personnel employed by categories in the Group is 10,056 monthly paid (1 January - 31 March 2023: 10,069) and 31,576 hourly paid (1 January - 31 March 2023: 29,750) totalling to 41,632 (1 January - 31 March 2023: 39,819).

Subsidiaries and branches	Country of incorporation	Core business	Nature of business
Continuing operations as of balance sheet date:			
Arçelik Pazarlama A.Ş. (“Pazarlama A.Ş.”)	Turkey	Service/Sales/Marketing	Consumer Durables/Electronics
Arch R&D Co. Ltd. (“Arch R&D”)	China	R&D	Developing technology and design
Beko B.V. (“Beko B.V.”)	Netherlands	Investment	Holding
Arcwaste Collection SRL (“Arcwaste”) ^(*)	Romania	Service	Service
Arctic Foundation (“Arctic Foundation”)	Romania	Foundation	Foundation
Beko B.V. Taiwan (“Arduch Taiwan”)	Taiwan	Purchase	Consumer Durables/Electronics
Beko A and NZ Pty Ltd. (“Beko Australia”)	New Zealand	Sales	Consumer Durables
Beko A and NZ Pty Ltd. New Zealand Branch (“Beko New Zealand”) ^(*)	New Zealand	Sales	Consumer Durables
Beko Appliances Malaysia Sdn. Bhd. (“Beko Malaysia”)	Malaysia	Sales	Consumer Durables
Beko APAC IBC Co. (“Beko APAC”)	Thailand	Service	Service
Beko Balkans D.O.O (“Beko Balkans”)	Serbia	Sales	Consumer Durables/Electronics
Beko Central Asia LLC (“Beko Central Asia”)	Kazakhstan	Sales	Consumer Durables
Beko Egypt Trading LLC (“Beko Egypt”)	Egypt	Sales	Consumer Durables
Beko Spain Electronics S.L. (“Beko Espana”) ⁽¹⁾	Spain	Sales	Consumer Durables/Electronics
Beko France S.A.S. (“Beko France”)	France	Sales	Consumer Durables/Electronics
Beko Germany GmbH (“Beko Germany”)	Germany	Sales	Consumer Durables/Electronics
Beko Switzerland GmbH (“Beko Switzerland”)	Switzerland	Sales	Consumer Durables/Electronics
Beko Gulf FZE (“Beko Gulf”)	United Arab Emirates	Sales	Consumer Durables/Electronics
Beko Portugal, Unipessoal LDA (“Beko Portugal”)	Portugal	Sales	Consumer Durables/Electronics
Beko Hong Kong Ltd. (“Beko Hong Kong”)	Hong Kong, China	Purchase	Consumer Durables/Electronics
Beko Israel Household Appliances Ltd. (“Beko Israel”)	Israel	Marketing	Consumer Durables
Beko Italy SRL (“Beko Italy”)	Italy	Sales	Consumer Durables/Electronics
Beko LLC. (“Beko Russia”)	Russia	Production/Sales	Consumer Durables/Electronics
Beko Morocco Household Appliances SARL (“Beko Morocco”)	Morocco	Sales	Consumer Durables/Electronics
Beko Plc. (“Beko UK”)	England	Sales	Consumer Durables/Electronics
Beko Plc (“Beko Ireland”) ^(*)	Republic of Ireland	Sales	Consumer Durables/Electronics
Beko Pilipinas Corporation. (“Beko Philippines”)	Republic of the Philippines	Sales	Consumer Durables
Beko S.A. (“Beko Polska”)	Poland	Sales	Consumer Durables/Electronics
Beko S.A., Czech Branch (“Beko Czech”)	Czech Republic	Sales	Consumer Durables/Electronics
Beko Shanghai Trading Company Ltd. (“Beko Shanghai”)	China	Sales	Consumer Durables/Electronics
Beko Slovakia S.R.O. (“Beko Slovakia”)	Slovakia	Sales	Consumer Durables/Electronics
Beko Thai Co. (“Beko Thailand”)	Thailand	Production/Sales	Consumer Durables
Beko Ukraine LLC. (“Beko Ukraine”)	Ukraine	Sales	Consumer Durables
Beko US INC. (“Beko US”)	United States of America	Sales	Consumer Durables
Changzhou Beko Electrical Appliances Co. Ltd. (“Beko China”)	China	Production/Sales	Consumer Durables
Dawlance (Private) Ltd. (“Dawlance”)	Pakistan	Production/Sales	Consumer Durables
Defy (Botswana) (Proprietary) Ltd. (“Defy Botswana”)	Botswana	Sales	Consumer Durables
Defy (Namibia) (Proprietary) Ltd. (“Defy Namibia”)	Namibia	Sales	Consumer Durables
Defy (Swaziland) (Proprietary) Ltd. (“Defy Swaziland”)	Swaziland	Sales	Consumer Durables
Defy Appliances (Proprietary) Ltd. (“Defy”)	Republic of the South Africa	Production/Sales	Consumer Durables
Defy Sales East Africa Limited (“Defy Kenya”)	Kenya	Sales	Consumer Durables
DEL Electronics (Pvt.) Ltd. (DEL)	Pakistan	Sales	Consumer Durables
Beko Austria AG (“Beko Austria”)	Austria	Sales	Consumer Durables/Electronics
Grundig Multimedia A.G. (“Grundig Switzerland”)	Switzerland	Sales	Electronics
Beko Nordic AB. (“Beko Sweden”)	Sweden	Sales	Consumer Durables/Electronics
Beko Nordic AB, Finland Branch of Nordic AB (“Beko Finland”) ^(*) (1)	Finland	Sales	Consumer Durables/Electronics
Beko Nordic AS (“Beko Norway”)	Norway	Sales	Consumer Durables/Electronics
Beko Nordic AS, Denmark Branch of Beko Nordic AS (“Beko Denmark”) ^(*) (1)	Denmark	Sales	Consumer Durables/Electronics
Pan Asia Private Equity Ltd. (“Pan Asia”)	British Virgin Islands	Investment	Holding
PT Home Appliances Indonesia	Indonesia	Sales	Consumer Durables
Beko Appliances Indonesia PT	Indonesia	Sales	Consumer Durables

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NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries and branches (continued)	Country of incorporation	Core business	Nature of business
Continuing operations as of balance sheet date:			
Beko Bangladesh B.V (“Beko Bangladesh”)	Netherlands	Investment	Holding
Beko Romania SA (“Arctic”)	Romania	Production/Sales	Consumer Durables/Electronics
Singer Bangladesh Limited (“Singer Bangladesh”)	Bangladesh	Production/Sales	Consumer Durables/Electronics
United Refrigeration Industries Ltd. (“URIL”)	Pakistan	Production/Sales	Consumer Durables
Vietbeko Limited Liability Company (“Vietbeko”)	Vietnam	Sales	Consumer Durables
Arçelik Hitachi Home Appliances B.V.	Netherlands	Investment	Holding
Arçelik Hitachi Home Appliances (Shanghai) Co., Ltd.	China	Production/Sales	Consumer Durables
Arçelik Hitachi Home Appliances (Thailand) Ltd.	Thailand	Production/Sales	Consumer Durables
Arçelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd.	Singapore	Sales	Consumer Durables
Arçelik Hitachi Home Appliances Sales (Thailand) Ltd.	Thailand	Sales	Consumer Durables
Arçelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd.	Malaysia	Sales	Consumer Durables
Arçelik Hitachi Home Appliances Sales Middle East Fze	United Arab Emirates	Sales	Consumer Durables
Arçelik Hitachi Home Appliances Sales Vietnam Co., Ltd.	Vietnam	Sales	Consumer Durables
Arçelik Hitachi Home Appliances Sales Hong Kong Limited	Hong Kong, China	Sales	Consumer Durables
Arçelik Hitachi Taiwan Home Appliances Sales Ltd.	Taiwan	Sales	Consumer Durables
PT. Arcelik Hitachi Home Appliances Sales Indonesia	Indonesia	Sales	Consumer Durables
Arçelik Hitachi Home Appliances IBC Co. Ltd.	Thailand	Service	Service
Beko Azerbaijan MMC (“Beko Azerbaijan”)	Azerbaijan	Sales	Consumer Durables
Beko Croatia d.o.o (“Beko Croatia”) ⁽¹⁾	Croatia	Sales	Consumer Durables
Beko Hungary Kft (“Beko Hungary”)	Hungary	Sales	Consumer Durables
Beko Egypt Home Appliances Industries LLC (“Beko Egypt LLC”)	Egypt	Production/Sales	Consumer Durables/Electronics
Beko Greece SMSA (“Beko Greece”)	Greece	Sales	Consumer Durables
IHP Appliances Sales LLC	Russia	Sales	Consumer Durables/Electronics
IHP Appliances JSC	Russia	Production/Sales	Consumer Durables/Electronics
IHP Kazakhstan LLP	Kazakhstan	Sales	Consumer Durables/Electronics
Beko Algeria EURL (“Beko Algeria”)	Algeria	Sales	Consumer Durables
Beko Belgium N.V. (“Beko Belgium”)	Belgium	Sales	Consumer Durables
Beko Netherlands B.V. (“Beko Netherlands”)	Netherlands	Sales	Consumer Durables
Beko Europe B.V. (“Beko Europe”)	Netherlands	Investment	Holding

^(*) Branches of the Subsidiary, which operate in a different country, are separately presented.

⁽¹⁾ The trade names of the related companies were updated as of April 2024, and the registration procedures for the change have been completed in the related country registers.

Ceased operations as of reporting date:	Country of incorporation	Core business	Nature of business
Beko Cesko (“Beko Cesko”)	Czech Republic	-	-
Grundig Intermedia Ges.m.b.H (“Grundig Austria”)	Austria	-	-

Associates

Koç Finansman A.Ş. (“Koç Finansman”)	Turkey	Finance	Consumer Finance
Ram Dış Ticaret A.Ş. (“Ram Dış Ticaret”)	Turkey	Sales	Foreign Trade

Joint Ventures

Arçelik-LG Klima Sanayi ve Ticaret A.Ş. (“Arçelik-LG”)	Turkey	Production/Sales	Consumer Durables
VoltBek Home Appliances Private Limited (“VoltBek”)	India	Production/Sales	Consumer Durables

Approval of condensed consolidated financial statements

These condensed interim consolidated financial statements as of and for the period January 1, - March 31, 2024 has been approved for issue by the Board of Directors on April 26, 2024.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 2024, AND 2023**

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

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

The condensed interim consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on October 4, 2022 by POA and the format and mandatory information recommended by CMB.

The Group prepared its condensed consolidated interim financial statements for the three months period ended March 31, 2024 in accordance with TAS 34 “Interim Reporting” standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

Foreign subsidiaries have prepared their statutory financial statements in accordance with the related local laws and regulations. Consolidated financial statements have been prepared under the historical cost convention except for the derivative instruments and available for sale financial assets presented at fair values and revaluations related to the differences between carrying value and fair value of tangible and intangible assets arising from business combinations.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after March 31, 2024. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of March 31, 2023, and December 31, 2023 on the purchasing power basis as of March 31, 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation

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

Year End	Index	Conversion Factor	Three-year Inflation Rate
31 March 2024	2,139.47	1.00000	211%
31 December 2023	1,859.38	1.15063	268%
31 March 2023	1,269.75	1.68495	152%

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

- Current period condensed consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 “Impairment of Assets” and IAS 2 “Inventories” are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the condensed consolidated income statement.

ARÇELİK ANONİM ŞİRKETİ

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

2.1 Basis of presentation (Continued)

New and amended standards and interpretations

The accounting policies adopted in preparation of the condensed consolidated financial statements as of March 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”)/IFRS and IFRIC interpretations effective as of January 1, 2024. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities; In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback’ In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements; The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the condensed consolidated financial statements are as follows. the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.2 Basis of presentation (Continued)

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.3 Basis of presentation (Continued)

Functional and presentation currency

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

Financial statements of subsidiaries operating in countries other than Turkey

The Financial statements of subsidiaries operating in countries other than Turkey are compiled by the TAS/IFRS promulgated by the POA to reflect the proper presentation and content. Subsidiaries’ assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet date rates are recognised in the “currency translation difference” under the use of equity.

Consolidation principles

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

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

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

2.1 Basis of presentation (Continued)

The table below sets out all Subsidiaries included in the scope of consolidation discloses their direct and indirect ownership, which are identical to their economic interests, as of March 31, 2024 and December 31, 2023 (%) and their functional currencies:

	Functional currency	March 31, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Continuing operations as of balance sheet date:					
Arch R&D	Chinese Yuan	100	100	100	100
Beko Romania	Romanian Lei	96.72	96.72	96.72	96.72
Arcwaste	Romanian Lei	96.72	96.72	96.72	96.72
Arctic Foundation	Romanian Lei	96.72	96.72	96.72	96.72
Beko B.V.	Euro	100	100	100	100
Beko B.V. Taiwan	Taiwanese Dollar	100	100	100	100
Beko APAC	Thai Baht	100	100	100	100
Beko Australia	Australian Dollar	100	100	100	100
Beko New Zealand	New Zealand Dollar	100	100	100	100
Beko Balkans	Serbian Dinar	100	100	100	100
Beko China	Chinese Yuan	100	100	100	100
Beko Central Asia	Kazakhstan Tenge	100	100	100	100
Beko Germany	Euro	100	100	100	100
Beko Egypt	Egyptian Lira	100	100	100	100
Beko Espana	Euro	100	100	100	100
Beko France	Euro	100	100	100	100
Beko Gulf	Dirham	100	100	100	100
Beko Portugal	Euro	100	100	100	100
Beko Hong Kong	US Dollar	100	100	100	100
Beko Israel	New Israeli Shekel	100	100	100	100
Beko Italy	Euro	100	100	100	100
Beko Malaysia	Malaysian Ringgit	100	100	100	100
Beko Morocco	Moroccan Dirham	100	100	100	100
Beko Polska	Polish Zloty	100	100	100	100
Beko Czech	Czech Koruna	100	100	100	100
Beko Philippines	Philippine Peso	100	100	100	100
Beko Russia	Russian Ruble	100	100	100	100
Beko Shanghai	Chinese Yuan	100	100	100	100
Beko Slovakia	Euro	100	100	100	100
Beko Switzerland	Swiss Franc	100	100	100	100
Beko Thailand	Thai Baht	100	100	100	100
Beko UK	British Pound	100	100	100	100
Beko Ireland	Euro	100	100	100	100
Beko Ukraine	Ukrainian Hryvna	100	100	100	100
Beko US	US Dollar	100	100	100	100
Dawlance	Pakistani Rupee	100	100	100	100
Defy	South Africa Rand	100	100	100	100
Defy Botswana	Botswana Pula	100	100	100	100
Defy Namibia	Namibian Dollar	100	100	100	100
Defy Swaziland	Svazi Lilangeni	100	100	100	100
Defy Kenya	Kenya Shilling	100	100	100	100
DEL	Pakistani Rupee	100	100	100	100
Beko Austria	Euro	100	100	100	100
Beko Norway	Norwegian Krone	100	100	100	100
Beko Denmark	Danish Krone	100	100	100	100
Beko Sweden	Swedish Krona	100	100	100	100
Beko Finland	Euro	100	100	100	100
Grundig Switzerland	Swiss Franc	100	100	100	100
Pan Asia	US Dollar	100	100	100	100
Pazarlama A.Ş.	Turkish Lira	100	100	100	100
PT Home Appliances Indonesia	Indonesian Rupiah	67	67	67	67
PT Beko Appliances Indonesia	Indonesian Rupiah	100	100	100	100
Beko Bangladesh	US Dollar	100	100	100	100
Singer Bangladesh	Bangladeshi Taka	56.99	56.99	56.99	56.99
United Refrigeration Industries	Pakistani Rupee	100	100	100	100
Vietbeko	Vietnamese Dong	100	100	100	100
Arçelik Hitachi	Euro	60	60	60	60
Arçelik Hitachi Shangai	Chinese Yuan	57	57	57	57
Arçelik Hitachi Thailand	Thai Baht	50.4	50.4	50.4	50.4
Arçelik Hitachi Singapore	Singapore Dollar	60	60	60	60

ARÇELİK ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.1 Basis of presentation (Continued)

Continuing operations as of balance sheet date: (Continued)	Functional currency	March 31, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Arçelik Hitachi Sales Thailand	Thai Baht	60	60	60	60
Arçelik Hitachi Malaysia	Malaysian Ringgit	60	60	60	60
Arçelik Hitachi Dubai	Dirham	60	60	60	60
Arçelik Hitachi Vietnam	Vietnamese Dong	60	60	60	60
Arçelik Hitachi Hong Kong	Hong Kong Dollar	60	60	60	60
Arçelik Hitachi Taiwan	Taiwanese Dollar	60	60	60	60
Arçelik Hitachi Indonesia	Indonesian Rupiah	40.5	40.5	40.5	40.5
Arçelik Hitachi Thailand IBC	Thai Baht	60	60	60	60
Beko Azerbaijan	Azerbaijan Manat	100	100	100	100
Beko Croatia	Croatian Kuna	100	100	100	100
Beko Hungary	Hungarian Forint	100	100	100	100
Beko Egypt LLC ⁽¹⁾	Egyptian Lira	100	100	100	100
Beko Greece	Euro	100	100	100	100
IHP Appliances Sales LLC	Russian Ruble	100	100	100	100
IHP Appliances JSC	Russian Ruble	100	100	100	100
IHP Kazakhstan LLP	Kazakhstan Tenge	100	100	100	100
Beko Algeria	Algerian Dinar	100	100	100	100
Beko Belgium ⁽¹⁾	Euro	100	100	100	100
Beko Netherlands ⁽¹⁾	Euro	100	100	100	100
Beko Europe ⁽²⁾	Euro	100	100	100	100
		March 31, 2024		December 31, 2023	
Ceased operations as of balance sheet date:					
Beko Cesko	-	100	100	100	100
Grundig Austria	-	100	100	100	100

- (d) Associates and joint ventures are companies in which the Group has attributable interest of more than 20% and less than 50% of the ordinary share capital held for the long-term and over which a significant influence is exercised. Associates are accounted for using the equity method.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. After the date of the caesura of the significant influence, the investment is carried at fair value.

The table below sets out all associates and joint ventures shows their direct and indirect ownership as of March 31, 2024 and 2023 (%):

	March 31, 2024	March 31, 2023
Arçelik - LG	45.00	45.00
Koç Finansman	47.00	47.00
Ram Dış Ticaret	33.50	33.50
VoltBek	49.00	49.00

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

2.1 Basis of presentation (Continued)

- (e) Financial assets in which the Group has ownership interests below 20%, or in which a significant influence is not exercised by the Group that have quoted market prices in active markets and whose fair values can be reliably measured are classified as financial assets measured at fair value through other comprehensive income in the consolidated financial statements.
- (f) The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as "non-controlling interest" in the consolidated statements of financial position and consolidated statements of profit or loss.

Going concern

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

Offsetting

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

Comparatives and restatement of prior periods' financial statements

The condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained.

Group has applied consistent accounting policies in the preparation of consolidated financial statements presented the Group does not have any other significant changes in accounting policy and accounting estimates in the current period.

The fixed asset advances given amounting to TRY 2,780,420 which were classified in the "Tangible Assets" account in the condensed consolidated statement of financial position for the period ending 1 January - 31 December 2023, were classified in the "Prepaid Expenses" account under Fixed Assets.

2.2 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period condensed consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

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NOTE 3 - SEGMENT REPORTING

The reportable segments of Arçelik have been organized by management into white goods and consumer electronics. White goods reportable segment comprises washing machines, dryers, dish washers, refrigerators, ovens, cookers and the services provided for these products. The consumer goods reportable segment comprises televisions primarily with flat screens, computers, cash registers, other electronic devices and the services provided to consumers for these products. Other segment comprises the revenues from air conditioners, home appliances and furniture and kitchen gadgets except products included in white goods and consumer electronics.

Arçelik’s reportable segments are strategic business units that present various products and services. Each of these segments is administrated separately due to the necessity of different technologies and marketing strategies.

Information about the operational segments is as follows. Gross profitability is evaluated regarding the performance of the operational segments.

- a) Operational segments which have been prepared in accordance with the reportable segments for three months period ended March 31, 2024 are as follows:

	White goods	Consumer electronics	Other	Total
Net sales (*)	54,907,858	5,306,231	12,051,152	72,265,241
Gross profit	17,292,722	674,667	3,479,552	21,446,941
Depreciation and amortization	2,333,378	134,859	107,822	2,576,059
Capital expenditures	2,702,472	181,328	80,978	2,964,778

(*) The Group recognised net sales amounting to TRY 72,169,104 with respect to the performance obligations satisfied at a point in time for the year ended March 31, 2024 (2023: TRY 68,894,977).

- b) Operational segments which have been prepared in accordance with the reportable segments for the three months period ended March 31, 2023 are as follows:

	White goods	Consumer electronics	Other	Total
Net sales	53,388,571	4,931,637	10,648,684	68,968,892
Gross profit	16,128,601	774,244	2,939,035	19,841,880
Depreciation and amortization	2,359,783	132,553	102,425	2,594,761
Capital expenditures	2,391,445	180,229	61,490	2,633,164

- c) Sales revenue grouped geographically based on the location of the customers for the three months period ended March 31 are shown as below:

January 1 - March 31, 2024	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	30,735,186	24,715,517	9,444,361	3,095,945	4,274,232	72,265,241
January 1 - March 31, 2023	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	25,988,601	26,156,191	9,923,304	3,213,374	3,687,422	68,968,892

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NOTE 4 - CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023
Cash in hand	18,325	25,802
Cash at banks		
- demand deposits	10,877,303	12,326,270
- time deposits	33,779,724	42,314,796
Cheques and notes	409,336	409,309
Other (*)	1,511,083	1,047,921
Cash and cash equivalents in cash flow statement	46,595,771	56,124,098
Interest income accruals	5,014	17,490
	46,600,785	56,141,588

(*) As of March 31, 2024, TRY 1,294,629 consists of credit card receivables with a maturity of less than 3 months (December 31, 2023: TRY 980,261).

The maturity breakdown of cash and cash equivalents is as follows:

Up to 30 days	45,943,557	54,923,016
30-90 days	657,228	1,218,572
	46,600,785	56,141,588

NOTE 5 - FINANCIAL INVESTMENTS

Fair value gain/ losses of financial assets reflected to other comprehensive income

	March 31, 2024	December 31, 2023
Financial assets that its fair value gain/losses of reflected to other comprehensive income	146,109	163,091
Total	146,109	163,091

	March 31, 2024	December 31, 2023
Ultra Kablolu	89,695	89,695
Hoxton Ventures III	23,058	23,058
500 Startups Istanbul Fund II Cooperatif	19,852	17,497
E&E Recycling, INC	7,933	8,687
Thai Refrigeration Components Co., Ltd.	4,666	5,191
Tat Gıda Sanayi A.Ş.	-	18,003
Other	905	960
	146,109	163,091

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NOTE 5 - FINANCIAL INVESTMENTS (Continued)

The details of financial investments for the three months period ended March 31, are as follows:

	2024	2023
As of January 1	163,091	166,617
Change in fair value	-	(15,657)
Additions	2,356	-
Disposal	(18,003)	-
Currency translation differences	(1,335)	(1,545)
Inflation effect	-	453
As of March 31	146,109	149,868

NOTE 6 - BORROWINGS

a) Short-term borrowings

	March 31, 2024	December 31, 2023
Short-term bank borrowings	36,280,444	45,178,186
Short-term lease liabilities	1,541,942	1,091,329
Payables due to factoring activities	1,044,075	801,237
Other short-term borrowings (*)	9,690,477	12,172,156
Total short-term borrowings	48,556,938	59,242,908
Short-term portion of long-term bank borrowings and interest accruals	3,666,984	5,466,294
Short term portion of long-term bond issued and interest accruals	5,319,984	1,392,998
Total short-term portion of long-term borrowings	8,986,968	6,859,292

(*) Other short-term borrowings include financial liabilities arising from credit card use.

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NOTE 6 - BORROWINGS (Continued)

a) Short-term borrowings (Continued)

As of March 31, 2024, the details of short-term bank borrowings and credit cards borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
EUR	6.7	644,394,098	21,686,475
TRY	46.4	9,651,564,057	9,651,564
USD	5.7	170,952,743	5,519,278
BDT	10.1	10,681,573,042	3,145,082
PKR	22.2	17,261,955,954	1,993,929
AUD	6.1	30,756,567	645,122
THB	5.7	642,783,637	571,268
PLN	8.0	63,017,464	511,034
RUB	18.4	1,256,532,641	436,695
SEK	5.2	134,455,805	403,596
RON	8.5	55,629,467	387,337
NOK	5.4	77,471,529	229,649
MYR	6.0	32,523,271	222,453
GBP	8.4	5,359,222	217,941
IDR	9.5	101,329,614,933	206,712
CZK	7.5	54,523,574	75,150
CNY	3.2	13,267,529	58,979
DKK	5.0	1,858,390	8,657
			45,970,921

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NOTE 6 - BORROWINGS (Continued)

a) Short-term borrowings (Continued)

As of December 31, 2023, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent (*)
EUR	6.1	879,714,494	32,972,324
TRY	40.1	10,442,233,226	12,015,211
BDT	9.3	8,290,029,471	2,560,884
USD	8.6	66,381,706	2,248,525
PLN	7.3	200,344,769	1,733,240
PKR	23.2	14,095,040,024	1,703,729
RUB	18.2	2,162,570,308	811,470
SEK	5.2	225,086,040	758,821
GBP	7.1	16,617,394	715,907
AUD	6.1	30,321,067	698,513
THB	5.5	326,982,692	323,249
MYR	6.0	31,999,012	236,100
IDR	9.5	91,260,500,000	200,565
NOK	6.1	48,905,999	162,398
CZK	8.5	77,724,132	118,086
RON	8.7	10,100,000	75,671
CNY	4.7	3,300,036	15,649
			57,350,342

(*) Amounts are presented in Turkish Liras ("TRY") as of March 31, 2024, with a purchasing power of one thousand TRY based on the 2024 Turkish Statistical Institute Consumer Price Index (CPI).

As of March 31, 2024, the details of payables due to factoring activities are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
EUR	4.9	13,384,857	465,824
GBP	6.8	7,385,740	300,352
PLN	6.9	33,885,329	274,790
CHF	2.2	86,917	3,105
RUB	17.4	10,910	4
			1,044,075

As of December 31, 2023, the details of payables due to factoring activities are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent (*)
GBP	6.2	4,778,851	388,578
PLN	6.8	44,915,601	205,881
EUR	5.1	5,406,677	202,646
CHF	2.4	79,532	3,200
RUB	14.5	2,482,398	932
			801,237

(*) Amounts expressed in thousands of TRY in terms of purchasing power of the TRY at March 31, 2024.

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NOTE 6 - BORROWINGS (Continued)

b) Long-term borrowings

	March 31, 2024	December 31, 2023
Long-term bonds issued (**)	28,239,721	29,978,346
Long-term bank borrowings	17,803,065	17,886,421
Long-term lease liabilities	3,177,837	3,293,848
	49,220,623	51,158,615

() Long term bond issued:**

2024 yılı:

The Company issued bond amounting to TRY 2 billion quoted on January 23, 2024 in Borsa İstanbul with every 3 months interest payment. Maturity of the bonds is January 21, 2025, and the coupon rate is 44%.

The Company issued bond amounting to TRY 2 billion quoted on February 16, 2024 in Borsa İstanbul with every 3 months interest payment. Maturity of the bonds is February 14, 2025, and the coupon rate is 47%.

2023:

The Company issued bond amounting to USD 400 million quoted on September 25, 2023 and USD 100 million quoted on November 17, 2023 in Euronext Dublin Stock Exchange with semi-annually interest payment. Maturity of the bonds is September 25, 2028, and the coupon rate is 8.5%.

2022:

The Company issued bond amounting to TRY 650 million quoted in Borsa Istanbul with quarterly interest payment on April 13, 2022, Maturity of the bond is April 5, 2024 and coupon rate is GDDS+130.

2021:

The company issued green bond amounting to EUR 350 million, quoted in Ireland Stock Exchange with annual interest payment on May 27, 2021. Maturity of the bond is May 27, 2026 and coupon rate is 3%, The Group has a commitment to finance its projects within the scope of the Green Financing Framework, which it has created based on its sustainability strategy, with the funds obtained from the green bond issuance.

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NOTE 6 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

As of March 31, 2024, the details of the long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
EUR	4.3	415,919,135	14,474,943
ZAR	9.3	1,557,189,190	2,662,949
USD	9.2	52,073,715	1,681,221
PKR	22.3	7,929,978,499	915,992
RON	51.7	699,593,374	699,593
GBP	7.4	77,111,231	536,910
TRY	7.4	10,000,000	406,665
RUB	18.0	264,074,044	91,776
			21,470,049
Short-term portion of long-term loans and interest accruals			(3,666,984)
			17,803,065

As of December 31, 2023, the details of the long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent (*)
EUR	4.8	441,113,604	16,533,251
ZAR	9.5	1,446,082,054	2,656,440
USD	9.2	50,928,713	1,725,091
PKR	22.6	7,991,914,521	966,017
RON	7.4	77,703,397	582,165
GBP	7.5	10,000,000	430,818
TRY	39.8	312,972,830	360,119
RUB	18.0	263,340,822	98,814
			23,352,715
Short-term portion of long-term loans and interest accruals			(5,466,294)
			17,886,421

As of March 31, 2024, detail of discounted amounts of long-term bonds issued is given below:

Currency	Effective interest rate per annum (%)	Original currency	TRY equivalent
USD	8.5	498,300,974	16,087,846
EUR	3.0	358,807,691	12,487,333
TRY	45.5	4,984,526,252	4,984,526
			33,559,705
Short-term portion of long-term bonds issued and interest accruals			(5,319,984)
			28,239,721

(*) Amounts expressed in thousands of TRY in terms of purchasing power of the TRY at 31 March 2024,

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NOTE 6 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

As of December 31, 2023, detail of discounted amounts of long-term bonds issued is given below:

Currency	Effective interest rate per annum (%)	Original currency	TRY Equivalent (*)
USD	8.5	508,493,573	17,224,031
EUR	3.0	356,202,655	13,350,729
TRY	28.3	692,300,000	796,584
			31,371,344
Interest accruals of long-term bonds issued			(1,392,998)
			29,978,346

The payment schedule of the principal amounts of long-term bank borrowings and bonds is as follows:

	March 31, 2024	December 31, 2023
2025	3,473,437	3,831,860
2026	15,885,216	16,733,576
2027	3,745,128	3,098,617
2028 to 2032	22,939,005	24,200,714
	46,042,786	47,864,767

The analysis of borrowings and bonds issued in terms of periods remaining to contractual re-pricing dates is as follows:

	March 31, 2024	December 31, 2023
Up to 3 months	37,148,816	43,205,074
3 - 12 months	17,523,152	19,343,772
1-5 years	42,739,958	43,799,654
Over 5 years	3,214,794	3,943,643
	100,626,720	110,292,143

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NOTE 6 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

As of March 31, 2024, and 2023, financial debt reconciliation is as follows:

2024	Lease Liabilities	Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
Financial debt as of January 1	(4,385,177)	(65,010,871)	(47,864,767)	(117,260,815)
Cash flows	613,158	(4,520,330)	488,966	(3,418,206)
Changes in interest accruals	(134,448)	441,000	-	306,552
Changes in factoring liabilities	-	(242,840)	-	(242,840)
Changes in lease liabilities	(891,693)	-	-	(891,693)
Currency translation adjustments	2,704	(2,469,709)	(2,307,309)	(4,774,314)
Inflation adjustments	75,677	15,800,786	3,640,324	19,516,787
Financial debt as of March 31	(4,719,779)	(56,001,964)	(46,042,786)	(106,764,529)

2023	Lease Liabilities	Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
Financial debt as of January 1	(4,348,613)	(65,655,731)	(27,521,023)	(97,525,367)
Cash flows	490,414	(14,594,857)	(1,765,894)	(15,870,337)
Changes in interest accruals	(93,077)	237,843	-	144,766
Changes in factoring liabilities	-	143,993	-	143,993
Changes in lease liabilities	(410,490)	-	-	(410,490)
Currency translation adjustments	(29)	(1,125,512)	(358,997)	(1,484,538)
Inflation adjustments	59,807	7,865,076	2,817,591	10,742,474
Financial debt as of March 31	(4,301,988)	(73,129,188)	(26,828,323)	(104,259,499)

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NOTE 7 - DERIVATIVE INSTRUMENTS

Valuation of outstanding derivative instruments which were transacted by the Group for foreign exchange risk management purposes are made through marketing to market value at the date of valuation and the fair value of these instruments are disclosed as asset or liability in the statement of financial position.

	March 31, 2024			December 31, 2023		
	Contract amount	Fair value assets	/(liabilities)	Contract amount	Fair value assets	/(liabilities)
Short-term derivative instruments						
Held for trading:						
Foreign currency forward transactions	56,647,699	39,039	(297,431)	57,725,902	419,818	(105,056)
Foreign currency swap contracts	25,495,762	28,319	(104,805)	26,267,315	101,810	(42,768)
Short-term derivative instruments, net						
		67,358	(402,236)		521,628	(147,824)

Long-term derivative instruments

Cash flow hedge:

Interest rate swap contracts (*)	25,942,770	-	(552,685)	27,580,349	-	(894,514)
Long-term derivative instruments, net						
			(552,685)			(894,514)

(*) The currency swap transaction is a swap transaction involving the exchange of a 400 million US dollar-denominated bond issued abroad on September 25, 2023, with a maturity date of September 25, 2028, for an Euro-denominated bond for the purpose of hedging against currency risk.

The Group converted its USD 400 million nominal value bond issue into EUR through a foreign currency swap transaction. The foreign currency swap transaction is used as a hedging tool against parity risk exposure due to highly probable estimated EUR-based sales revenues and cash flow hedge accounting is applied. Accordingly, the amount of the related bond liability as of March 31, 2024 is TRY 12,914,160. The after-tax impact recorded in the "gains/(losses) from cash flow hedges" account in the other comprehensive income statement for the three months period ended March 31, 2024 related to this transaction is TRY 435,878.

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	March 31, 2024	December 31, 2023
Short-term trade receivables:		
Trade receivables	72,187,181	73,507,285
Notes receivables	2,491,853	3,313,513
Cheques receivables	1,191,839	1,377,735
Short-term trade receivables (gross)	75,870,873	78,198,533
Provision for expected credit loss	(817,330)	(870,163)
Unearned credit finance income	(2,525,307)	(1,449,988)
Short-term trade receivables (net)	72,528,236	75,878,382

As of March 31, 2024, the Group has offsetted TRY 9,574,442 (December 31, 2023: TRY 7,518,328) from trade receivables that are collected from factoring companies as part of the non-recourse factoring.

In line with the general financial market convention in Pakistan, Dawlance has hypothecation on its trade receivables amounting to TRY 547,004 related with its local bank borrowings (December 31, 2023: TRY 416,101).

The movements of expected credit loss for the three months period ended March 31, are as follows:

	2024	2023
As of January, 1	870,163	1,444,906
Current year additions (Note 21)	35,950	39,325
Provisions no longer required (Note 21)	(4,306)	(8,172)
Acquisitions	-	4,097
Write-offs (*)	(19,215)	(22,123)
Currency translation differences	(45,188)	(155,267)
Inflation adjustments	(20,074)	(30,133)
As of March, 31	817,330	1,272,633

(*) Doubtful receivables, for which no possibility of collection is foreseen, and no further cash inflow are expected, are written off from the records along with the related provisions.

	March 31, 2024	December 31, 2023
Long-term trade receivables		
Trade receivables	68,051	68,120
Unearned credit finance income	(29,160)	(28,858)
	38,891	39,262

	March 31, 2024	December 31, 2023
Short-term trade payables:		
Trade payables	54,232,632	53,468,368
Debt accruals	4,270,052	3,957,454
Unearned credit finance charges	(1,684,244)	(1,069,338)
	56,818,440	56,356,484

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NOTE 9 - OTHER PAYABLES

	March 31, 2024	December 31, 2023
Taxes and duties payable	3,003,632	4,044,432
Dividend payables to shareholders	37,974	41,056
Deposits and guarantees received	34,997	40,227
Other	772,235	478,029
	3,848,838	4,603,744

NOTE 10 - INVENTORIES

	March 31, 2024	December 31, 2023
Raw materials and supplies	20,269,551	22,072,861
Work in progress	1,667,448	1,815,471
Finished goods	23,433,851	30,250,579
Trade goods	7,136,648	1,193,007
Inventories (gross)	52,507,498	55,331,918
Provision for impairment on inventories	(683,353)	(735,746)
Inventories (net)	51,824,145	54,596,172

In line with the general financial market convention in Pakistan, Dawlance has hypothecation on its inventories amounting to TRY 531,790 related with its local bank borrowings (December 31, 2023: TRY 457,658).

NOTE 11 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024		December 31, 2023	
	%	TRY	%	TRY
VoltBek	49,0	703,514	49,0	232,446
Koç Finansman	47,0	724,375	47,0	719,403
Arçelik - LG	45,0	596,527	45,0	634,751
Ram Dış Ticaret	33,5	72,257	33,5	88,861
		2,096,673		1,675,461

The movements of associates for the three months period ended March 31, are as follows:

	2024	2023
As of January 1	1,675,461	2,358,730
Shares of income/loss of associates	(101,475)	(206,356)
Shares of other comprehensive income/loss of associates	2,939	(4,686)
Gross profit elimination on inventory	4,422	3,423
Share participation in associates	420,990	-
Cash dividend from associates	(44,993)	(28,223)
Currency translation difference	139,329	(72,199)
As of March 31	2,096,673	2,050,689

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NOTE 11 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Shares of income/loss from investments accounted for using the equity method:

	2024	2023
Koç Finansman	26,471	3,949
Arçelik - LG	(44,215)	(23,240)
Ram Dış Ticaret	5,520	(59,982)
VoltBek	(89,251)	(127,083)
	(101,475)	(206,356)

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

	2024	2023
As of January 1		
Cost	123,799,522	121,705,058
Accumulated depreciation	(72,491,783)	(72,386,905)
Net carrying value	51,307,739	49,318,153
Net carrying value at the beginning of the period	51,307,739	49,318,153
Additions	3,228,260	2,528,888
Acquisitions	-	80,184
Transfers	(239,734)	(94)
Disposals	(89,264)	(177,909)
Currency translation differences	(1,894,880)	(3,258,209)
Depreciation for the period	(1,960,032)	(1,955,404)
Net carrying value at the end of the period	50,352,089	46,535,609
As of March 31		
Cost	123,696,996	118,102,969
Accumulated depreciation	(73,344,907)	(71,567,360)
Net carrying value	50,352,089	46,535,609

As of March 31, 2024, the net book value of the right of use assets classified under tangible assets is TRY 5,188,099 (March 31, 2023: TRY 4,930,783).

Additions to rights-to-use assets for the three months period ended March 31, 2024 TRY 1,249,570 (March 31, 2023: TRY 1,386,164), depreciation expenses are TRY 529,198 (March 31, 2023: TRY 637,504).

There is no mortgage on property, plant and equipment as of March 31, 2024 (December 31, 2023: None).

The total of depreciation expenses capitalized in 2024 is TRY 18,048 (2023: TRY 18,720).

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NOTE 13 - OTHER INTANGIBLE ASSETS

	2024	2023
As of January 1		
Cost	41,318,341	38,409,563
Accumulated amortization	(18,421,369)	(16,437,748)
Net carrying value	22,896,972	21,971,815
Net carrying value at the beginning of the period	22,896,972	21,971,815
Additions	986,088	918,997
Acquisitions (Note 3)	-	1,560
Transfers	239,734	94
Disposals	(920)	(790)
Currency translation differences	(753,176)	(1,741,834)
Amortization for the period	(616,027)	(639,357)
Net carrying value at the end of the period	22,752,671	20,510,485
As of March 31		
Cost	41,658,241	37,270,827
Accumulated amortization	(18,905,570)	(16,760,342)
Net carrying value	22,752,671	20,510,485

As of March 31, 2024, total amount of capitalized borrowing cost is zero (March 31, 2023: TRY 1,189).

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NOTE 14 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As of March 31, 2024, export commitments from Turkey under the scope of inward processing authorization certificates as export incentives amounts to full USD 1,831,458,407 (December 31, 2023: USD 339,837,400). In case that the related tax advantages are not utilized, it is possible to close of the certificates including export commitments without any sanctions.

	March 31, 2024	December 31, 2023
Collaterals obtained	31,308,302	29,631,717

Collaterals/ pledges/ mortgages/bill of guarantees (“CPMB”) position of the Group as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
CPMB’s given by the Company		
A, CPMB’s given for Company’s own legal personality	4,122,949	5,627,642
B, CPMB’s given on behalf of fully consolidated companies	11,254,155	11,224,824
C, CPMB’s given on behalf of third parties for ordinary course of business	-	-
D, Total amount of other CPMB’s	-	-
i) Total amount of CPMB’s given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB’s given on behalf of other Group companies which are not in scope of B and C	-	-
iii) Total amount of CPMB’s given on behalf of third parties which are not in scope of C	-	-
Total	15,377,104	16,852,466

TRY equivalents of CPMB given as of March 31, 2024 and December 31, 2023 are as follows on original currency basis are as follows:

	March 31, 2024	December 31, 2023
CPMB's given by the Company		
TRY	461,638	688,078
EUR	3,712,869	3,663,752
USD	6,398,380	7,612,486
Other currencies	4,804,217	4,888,150
	15,377,104	16,852,466

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NOTE 15 - OTHER PROVISIONS

	March 31, 2024	December 31, 2023
Other short-term provisions		
Warranty provision	2,516,149	2,908,925
Provision for transportation cost	1,709,691	1,300,169
Assembly provision	1,560,732	1,381,095
Provision for lawsuit risks	94,078	107,187
Other	1,676,299	1,607,002
	7,556,949	7,304,378
Other long-term provisions		
Warranty provision	1,283,227	1,286,688
Other	136,922	148,123
	1,420,149	1,434,811

NOTE 16 - PREPAID EXPENSES

	March 31, 2024	December 31, 2023
Short-term prepaid expenses		
Prepaid expenses for following months	2,885,024	1,835,803
Advances given for inventories	1,309,089	915,546
	4,194,113	2,751,349
Long-term prepaid expenses		
Advances given for property, plant and equipment	5,000,917	5,459,342
Other	478,557	311,440
	5,479,474	5,770,782

NOTE 17 - CURRENT INCOME TAX ASSETS

	March 31, 2024	December 31, 2023
Prepaid taxes and funds	843,954	1,986,325
	843,954	1,986,325

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NOTE 18 - EMPLOYEE BENEFIT OBLIGATIONS

	March 31, 2024	December 31, 2023
Payables to personnel	1,977,587	3,197,252
Social security payables	1,109,693	1,275,973
Accruals for bonuses and premiums	260,639	423,792
	3,347,919	4,897,017

NOTE 19 - OTHER ASSETS AND LIABILITIES

	March 31, 2024	December 31, 2023
Other current assets:		
Value added tax and private consumption tax receivable	1,368,084	2,581,376
Taxes and funds deductible	834,283	698,731
Income accruals	493,606	230,312
Deposits and guarantees given	193,538	170,939
Other	851,209	533,259
	3,740,720	4,214,617

	March 31, 2024	December 31, 2023
Other current liabilities:		
Accruals for customer premiums	8,857,434	9,639,813
Advances received	1,038,699	1,929,063
Deferred income	577,326	656,359
Other	767,830	142,764
	11,241,289	12,367,999

	March 31, 2024	December 31, 2023
Other long-term liabilities:		
Liabilities related to acquisitions (*)	4,258,860	4,447,741
Deferred income	3,950,789	3,892,473
Other	298,181	289,034
	8,507,830	8,629,248

(*) The purchase price determined within the scope of the acquisition of all shares of IHP Appliances JSC and IHP Appliances Sales LLC, dated August 31, 2022, reflects their fair value as of March 31, 2024 and December 31, 2023.

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NOTE 20 - EQUITY

Paid-in capital

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of kurus1, Registered and issued share capital of the Company is as follows:

	March 31, 2024	December 31, 2023
Limit on registered share capital	1,500,000	1,500,000
Issued share capital in nominal value	675,728	675,728

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of bonus shares to existing shareholders,

The shareholding structure of the Company is as follows:

	March 31, 2024		December 31, 2023	
	Share (%)	Amount	Share (%)	Amount
Shareholders				
Koç Holding A.Ş.	41,43	279,929	41,43	279,929
Temel Ticaret ve Yatırım A.Ş.	2,75	18,577	2,75	18,577
Koç Family Members	8,67	58,590	8,67	58,590
Total Koç Family members and companies owned by Koç Family members	52,85	357,096	52,85	357,096
Teknosan Büro Makine ve Levazımı Ticaret ve Sanayi A.Ş.	12,05	81,428	12,05	81,428
Burla Ticaret ve Yatırım A.Ş.	5,56	37,572	5,56	37,572
Koç Holding Emekli ve Yardım Sandığı Vakfı	4,27	28,863	4,27	28,863
Vehbi Koç Vakfı	0,12	809	0,12	809
Treasury shares (*)	10,19	68,876	10,19	68,876
Other	14,96	101,084	14,96	101,084
Paid-in capital	100,00	675,728	100,00	675,728
Adjustment to share capital (**)		18,090,272		18,090,272
Total share capital		18,766,000		18,766,000

(*) The above amount is related to the shares that buyback and are publicly listed the Group.

(**) “Adjustment to share capital” represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the TAS/IFRS promulgated by the POA, “Adjustment to share capital” has no use other than being transferred to paid-in share capital.

All shareholders of the Company have equal rights and there are no preference shares outstanding.

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NOTE 20 - EQUITY (Continued)

The historical values and inflation adjustment effects of the following equity accounts under the Company's balance sheet, in accordance with IFRS and Tax Law financial statements, as of March 31, 2024, are as follows:

March 31, 2024 (IFRS)	Historical value	Inflation adjustment effect	Indexed value
Capital	675,728	18,460,801	18,766,000
Reserves for treasury shares	3,095,543	6,084,817	9,182,977
Legal reserves	887,707	4,455,627	5,326,033
Other reserves	10,687	14,290	24,977

March 31, 2024 (TAS)	Historical value	Inflation adjustment effect	Indexed value
Capital	675,728	16,761,972	17,437,700
Reserves for treasury shares	3,095,543	6,652,192	9,747,735
Legal reserves	887,707	8,006,286	8,893,993
Other reserves	10,687	17,764	28,451

Repurchased shares

Pursuant to the share repurchase program initiated by the Board of Directors' resolution dated July 1, 2021, and continued by the Board of Directors' resolution dated May 24, 2022, as of March 31, 2024, a total of 68,876 shares with a nominal value of TL 68,876, representing 10.19% of the company's share capital, were repurchased for a total consideration of TL 9,182,977, including transaction costs (December 31, 2023: TL 9,182,977). There were no sales of repurchased shares as of the report date.

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NOTE 20 - EQUITY (Continued)

Treasury Shares

Pursuant to the decision of the Board of Directors of the Company on July 1, 2021, treasury share procedures have been initiated and pursuant to the decision of the Board of Directors of the Company on March 31, 2024 for Company to continue to the share buyback program. Within the scope of the decision, the shares with a nominal value of TRY 68,876 corresponding to 10,19% of the Company’s capital, has been bought back at the amount of TRY 9,182,977 including transaction costs as of March 31, 2024 (December 31, 2023: TRY 9,182,977). As of the report date, there are no treasury shares that have been sold.

Restricted reserves

The Turkish Commercial Code (“TCC”) stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

The details of these restricted reserves are as follows:

	March 31, 2024	December 31, 2023
Legal reserves	5,326,033	5,326,033
Reserves for treasury shares	9,182,977	9,182,977
Other reserves	24,977	24,977

Dividend distribution

Listed companies distribute dividend in accordance with the Communiqué No, II-19,1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

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NOTE 21 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	2024	2023
Other income from operating activities:		
Foreign exchange gains arising from trading activities	3,139,292	1,093,945
Income from claims and grants	84,476	81,947
Credit finance income arising from trading activities	61,726	66,750
Expected credit loss provisions no longer required (Note 8)	4,306	8,172
Other	7,050	12,883
	3,296,850	1,263,697

	2024	2023
Other expenses from operating activities:		
Foreign exchange losses arising from trading activities	2,339,588	1,059,835
Credit finance charges arising from trading activities	1,289,492	947,688
Provision for expected credit lose (Note 8)	35,950	39,325
Other	20,484	36,121
	3,685,514	2,082,969

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NOTE 22 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	2024	2023
Income from investment activities:		
Gain from sales of financial assets	16,333	-
Income from sales of property plant and equipment	9,403	21,876
	25,736	21,876
Expenses from investment activities:		
Loss from sales of property plant and equipment	(25,476)	(37,008)
	(25,476)	(37,008)

NOTE 23 - FINANCIAL INCOME

	2024	2023
Foreign exchange gains (*)	5,211,551	2,250,638
Interest income	677,206	400,704
Gains on derivative instruments	475,254	807,314
Other	118,613	157,962
	6,482,624	3,616,618

(*) Foreign exchange gains are related to cash and cash equivalents, financial borrowings and other financial liabilities.

NOTE 24 - FINANCIAL EXPENSES

	2024	2023
Foreign exchange losses (*)	(7,218,284)	(2,854,844)
Interest expenses (**)	(2,493,212)	(2,363,161)
Losses on derivative instruments	(982,839)	(744,882)
Interest expense from contingent liability	(144,823)	(134,063)
Other	(267,177)	(72,334)
	(11,106,335)	(6,169,284)

(*) Foreign exchange losses are related to cash and cash equivalents, financial borrowings and other liabilities.

(**) TRY 134,448 of the interest expenses consists of the interest expense on the lease liabilities (2023: TRY 93,077).

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NOTE 25 - TAX ASSETS AND LIABILITIES

	March 31, 2024	December 31, 2023
Corporation and income taxes	1,295,647	1,275,768
Prepaid tax	(998,178)	(790,386)
Tax liabilities (net)	297,469	485,382
Deferred tax assets	9,654,231	9,470,956
Deferred tax liabilities	(3,658,530)	(3,898,442)
Deferred tax assets, net	5,995,701	5,572,514

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The corporation tax rate is 25% in Turkey (December 31, 2023: 25%), Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

Income tax expense for the three months period ended March 31 is as follows:

	2024	2023
Tax income		
- Current period tax expense	(1,082,131)	(905,217)
- Deferred tax income	339,977	662,998
Total tax income/(expense), net	(742,154)	(242,219)

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their statement of financial position accounts prepared in accordance with TAS/IFRS promulgated by POA Financial Reporting Standards and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for TAS/IFRS and Tax Laws.

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NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided using principal tax rates is as follows:

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Property, plant and equipment and intangible assets	24,017,469	23,067,216	(5,863,803)	(5,616,137)
Unused tax advantages (*)	-	-	3,064,145	2,905,944
Unused tax credits	(6,381,941)	(6,319,410)	1,795,090	1,829,223
Provision for warranty, assembly and transportation expenses	(4,469,144)	(7,444,599)	1,082,909	1,824,659
Inventories	(1,826,882)	(1,273,460)	650,439	547,151
Provision for employment termination benefits	(3,049,326)	(4,666,406)	670,952	1,014,710
Provision for expected credit lose	(478,441)	(486,366)	142,362	143,604
Derivative instruments	(13,657,320)	(5,430,343)	2,126,029	1,293,353
Cost and expense provisions	(9,701,372)	(6,809,804)	2,238,173	1,502,730
Other	(142,864)	(1,636,552)	89,405	127,277
Deferred tax assets, net			5,995,701	5,572,514

Tax Advantages Obtained Under the Investment Incentive System:

(*) Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TRY 3,064,145 (December 31, 2023: TRY 2,905,944) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the condensed consolidated financial statements as of March 31, 2024, TRY 158,201 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 – March 31, 2024 from accounting of such deferred tax assets.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5 years from the balance sheet date.

In the sensitivity analysis performed as of March 31, 2024, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 5-year recovery periods of deferred tax assets related to investment incentives.

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NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

Movements in deferred tax asset / (liabilities) for the periods ended March 31 are as follows:

	2024	2023
Balance as of January 1	5,572,514	513,639
Deferred tax income recognized		
in statement of profit or loss	339,977	662,998
Deferred tax income recognized directly in the equity	92,510	71,944
Currency translation differences	(9,300)	109,618
Balance as of March 31	5,995,701	1,358,199

Subsidiaries accumulated and undistributed profits are being used in financing investments and working capital requirements, and the dividend payments are subject to Group management’s approval. Complete distribution of these accumulated profits is not anticipated as of balance sheet date, and consequently no resulting deferred tax liability is accrued.

NOTE 26 - EARNINGS PER SHARE

Earnings per share disclosed in the condensed consolidated statements of income are determined by dividing the net income per share by the weighted average number of shares that have been outstanding during the year.

The Companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. In earnings per share calculation, this bonus share issuance is accepted as shares issued. Hence, weighted average stock share, which is used in the calculation of earnings per share, is acquired by retrospective application of bonus share issue.

Earnings per share are as follows:

	January 1- March 31, 2024	January 1- December 31, 2023
Profit for the year attributable to equity holders of the parent	395,111	1,290,744
Weighted average number of ordinary shares with nominal value (kurus1 per value) (*)	60,685,191,700	60,685,191,700
Earnings per share (kurus)	0,651	2,127

(*) Further details for the treasury shares please refer to Note 24.

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NOTE 27 - RELATED PARTY DISCLOSURES

(i) Balances with related parties

	March 31, 2024	December 31, 2023
(a) Due from related parties:		
Wat Motor ⁽¹⁾	189,029	196,440
Token Finansal Teknolojiler A,Ş, ⁽¹⁾	109,757	344,124
Voltbek ⁽³⁾	34,061	35,078
Koçtaş Yapı Marketleri Ticaret A,Ş, ⁽¹⁾	25,204	68,122
Other	191,967	18,602
	550,018	662,366
	March 31, 2024	December 31, 2023
(b) Due to related parties:		
Short-term trade payables		
Arçelik-LG ⁽³⁾	2,121,740	1,536,516
Zer Merkezi Hizmetler ve Ticaret A,Ş, ⁽¹⁾	1,984,263	2,492,479
Ram Dış Ticaret A,Ş, ⁽²⁾	689,808	783,927
Koç Sistem Bilgi ve İletişim Hizmetleri A,Ş, ⁽¹⁾	96,377	173,649
Ark İnşaat Sanayi ve Ticaret A,Ş, ⁽¹⁾	57,972	135,875
Bilkom Bilişim Hizmetleri A,Ş, ⁽¹⁾	35,194	15,705
Ingage Dijital Pazarlama Hizmetleri A,Ş, ⁽¹⁾	26,013	299,672
Other	79,064	575,713
	5,090,431	6,013,536

⁽¹⁾ Koç Holding group companies

⁽²⁾ Associates

⁽³⁾ Joint venture

Maturity analysis of the present value of other payables to related parties is as follows:

(c) Deposits:

	March 31, 2024	December 31, 2023
Yapı ve Kredi Bankası A,Ş, and its subsidiaries ⁽¹⁾	177,830	761,209

⁽¹⁾ Koç Holding group companies

(d) Derivative instruments

	Contract	Fair value	
March 31, 2024	amount	assets/(liabilities)	
Yapı ve Kredi Bankası A,Ş, and its subsidiaries	16,847,325	5,948	(82,961)
December 31, 2023	Contract	Fair value	
	Amount	assets/(liabilities)	
Yapı ve Kredi Bankası A,Ş, and its subsidiaries	11,586,396	179,064	(2,098)

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NOTE 27 - RELATED PARTY DISCLOSURES (Continued)

(ii) Transactions with related parties

(a) Sales of goods and services:	2024	2023
Bilkom Bilişim Hizmetleri A.Ş.	713,344	290,220
Token Finansal Teknolojiler A.Ş.	133,448	276,618
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	118,436	99,991
WAT Motor	32,510	74,849
Diğer	16,993	70,732
	1,014,731	812,410

(b) Purchases of goods and services:	2024	2023
Zer Merkezi Hizmetler ve Ticaret A.Ş., Arçelik-LG	2,283,035	2,018,202
Ram Dış Ticaret	2,080,438	1,259,790
Ram Dış Ticaret	879,435	981,972
Ram Sigorta Aracılık Hizmetleri A.Ş. ^{(*) (1)}	611,983	28,961
Token Finansal Teknolojiler A.Ş.	261,807	444,622
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	207,110	161,834
Bilkom Bilişim Hizmetleri A.Ş.	189,466	97,956
Diğer	587,682	282,030
	7,100,956	5,275,367

The Group purchases direct and indirect materials and receives service from Zer Merkezi Hizmetler A.Ş. and Ram Dış Ticaret A.Ş.. The average payment term is around sixty days.

The Group purchases air conditioners produced by Arçelik-LG. Purchasing conditions are determined in line with sales conditions.

(*) The amount consists insurance premium and accruals to non-related insurance companies over the contracts signed through insurance agency Ram Sigorta Aracılık Hizmetleri A.Ş.

(1) Koç Holding group companies

(c) Key management compensation:

Senior executives of Arçelik A.Ş. are defined as the Chairman and Members of the Board of Directors, the General Manager, Deputy General Managers, and Directors directly reporting to the General Manager.

In the three months period ended March 31, 2024, the total benefits provided to senior executives of Arçelik A.Ş. by our company and its subsidiaries, calculated on the basis of purchasing power as of March 31, 2024, amounted to TRY 65,668 (March 31, 2023: TRY 55,348). There is no redundancy payment made to the senior executives and the remaining amount is short-term benefits (March 31, 2023: None).

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NOTE 27 - RELATED PARTY DISCLOSURES (Continued)

(d) Other transactions:

	2024	2023
<i>Interest income:</i>		
Yapı ve Kredi Bankası A.Ş., and its subsidiaries	5,633	5,796

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Hedging operations and derivative instruments

Liquidity Risk

The risk of failure in settling financial liabilities is eliminated by managing the condensed consolidated financial position statement and expected cash flows in harmony. In this context; the maturities of the financial liabilities are kept in line with the maturities of assets to eliminate any duration mismatch, to maintain short term liquidity with effective inventory term, trade receivables and trade payables term, net working capital objectives are set and condensed consolidated statement of financial position ratios are aimed to be kept at particular levels.

Cash flow estimations for midterm and long-term liquidity management of the Group are made by taking into account financial market and sector dynamics and cash flow cycle is observed and is tested by various scenarios.

Interest Rate Risk

Changes in interest rates create significant risks over financial results with due to the impact on interest sensitive assets and liabilities. These exposures are managed by establishing a fixed-floating balance in the condensed consolidated financial statements and balancing interest rate sensitive assets and maturity with inter balance sheet items and using derivative instruments when considered necessary.

In this context, matching of not only maturities of receivables and payables but also contractual re-pricing dates is crucial. In order to minimize the exposures to interest rate volatility, contractual re-pricing date of financial liabilities and receivables and “fixed interest/ floating interest”, “short-term/ long-term” balance within liabilities are structured coherently.

ARÇELİK ANONİM ŞİRKETİ

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

Funding risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

Credit risk

The Group is exposed to credit risk arising from receivables from credit financed sales and deposits with banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion, Methods used are as follows:

- Bank guarantees (guarantee letters, letter of credits etc.),
- Credit insurance (Global insurance policies, Eximbank and factoring insurance etc.),
- Mortgages,
- Cheques-notes negotiated,

In credit risk control, for the customers which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors, Individual risk limits are set in accordance and the utilization of credit limits is regularly monitored.

For banks, the ratings of the independent rating institutions are taken into consideration.

Same credit risk management principles are used for the management of the financial assets. Investments are made to instruments with highest liquidity and credit note of the company of transaction is taken into consideration.

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

Details of credit and receivable risk as of March 31, 2024 and December 31, 2023 are as follows:

March 31, 2024	Trade receivables			Derivative instruments
	Related parties	Third parties	Bank deposits	
Maximum exposed credit risk as of reporting date ⁽¹⁾	550,018	72,567,127	44,662,041	67,358
Secured portion of the maximum credit risk by guarantees, etc, ⁽²⁾		(56,888,861)		
A, Net book value of financial asset either are not due or not impaired	550,018	69,555,827	44,662,041	67,358
-Secured portion by guarantees, etc,		(55,103,956)		
B, Net book value of overdue but not impaired financial assets		3,020,428		
- Secured portion by guarantees, etc,		(1,763,780)		
C, Net book value of the impaired assets		21,125		
- Overdue (Gross book value)		808,202		
- Impairment (-)		(787,077)		
- Secured portion of the net value by guarantees, etc,		(21,125)		
D, Expected credit losses (-)		(30,253)		
December 31, 2023	Trade receivables			Derivative instruments
Related parties	Third parties	Bank deposits		
Maximum exposed credit risk as of reporting date ⁽¹⁾	662,366	75,917,644	54,658,556	521,628
Secured portion of the maximum credit risk by guarantees, etc, ⁽²⁾		(60,510,836)		
A, Net book value of financial asset either are not due or not impaired	662,366	73,426,861	54,658,556	521,628
-Secured portion by guarantees, etc,		(58,794,631)		
B, Net book value of overdue but not impaired financial assets		2,514,850		
- Secured portion by guarantees, etc,		(1,707,796)		
C, Net book value of the impaired assets		8,409		
- Overdue (Gross book value)		846,096		
- Impairment (-)		(837,687)		
- Secured portion of the net value by guarantees, etc,		(8,409)		
D, Expected credit losses (-)		(32,476)		

⁽¹⁾ Amounts showing the maximum credit risk exposed as of reporting date by excluding guarantees in hand and other factors that increase the credit quality.

⁽²⁾ Major part of guarantees is composed of mortgages and trade receivable insurances.

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

a) Credit quality of financial assets which are not overdue and not impaired,

	March 31, 2024	December 31, 2023
Group 1	1,320,321	1,072,182
Group 2	67,964,880	72,365,886
Group 3	820,644	651,159
	70,105,845	74,089,227

Group 1 - New customers (customers for a period less than 3 months).

Group 2 - Existing customers with no defaults in the past (customers for a period of more than 3 months).

Group 3 - Existing customers with some defaults in the past of which were fully recovered.

b) Aging analysis of the receivables which are overdue but not impaired

	March 31, 2024	December 31, 2023
0-1 month	2,225,052	1,453,271
1-3 months	190,288	441,761
3-12 months	296,033	324,077
1-5 years	309,055	295,741
	3,020,428	2,514,850

The Group has applied the simplified approach stated in TFRS 9 for the calculation of expected credit loss provision for trade receivables. This approach allows expected credit loss provision for all trade receivables. In order to measure expected credit losses, the Group appropriately classified its trade receivables based on maturity and credit risk characteristics. The expected credit loss ratio for each class of trade receivables, which is grouped using past loan loss experiences and forward-looking macroeconomic indicators, is calculated and the expected credit loss provision has been calculated by multiplying the determined rate and totals of trade receivable.

Description for the measurements as of March 31, 2024 is as follows;

March 31, 2024	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected loss rate (%)	0.004	0.21	0.31	1.57	
Gross carrying amount (*)	72,042,243	392,026	1,826,910	1,609,694	75,870,873
Expected credit lose	(2,908)	(834)	(1,177)	(25,334)	(30,253)

(*) Represents gross trade receivables excluding related party balances and impairment provisions.

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

Description for the measurements as of December 31, 2023 is as follows;

December 31, 2023	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected credit loss rate (%)	0.003	0.10	0.13	1.71	
Gross carrying amount (*)	74,837,587	404,054	1,297,814	1,659,078	78,198,533
Expected credit loss	(1,886)	(419)	(1,773)	(28,398)	(32,476)

(*) Represents gross trade receivables excluding related party balances and impairment provisions.

Foreign exchange risk

Since the Group operates in a diverse geographical area, operations are performed using multiple currencies, Therefore, foreign exchange risk is one of the most significant financial risks that the Group is exposed to.

Trade relations between the Company and its subsidiaries are structured within the framework of relevant legislations and managed centrally by subsidiaries’ functional currencies. Thus, foreign currency risk born by the subsidiaries is minimized. It is aimed to set the ratio of foreign exchange risk position over equity at a predetermined interval.

The main principle of foreign currency risk management is to minimize the impact of foreign exchange fluctuations by maintaining foreign exchange asset position close to zero.

Inter balance sheet methods are preferred for the management of foreign currency risk as in other risk items. However, when necessary, derivative instruments are also used for maintaining foreign currency position at a predetermined level.

Foreign currency hedge of net investments in foreign operations

The Group designated some portion of the Euro dominated bonds issued and Ruble dominated contingent liabilities as a hedging instrument in order to hedge the foreign currency risk arisen from the translation of net assets of part of the subsidiaries operating in Europe and Russia from Euro and Ruble to Turkish Lira. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in equity in foreign currency hedge of net investments in foreign operations fund in order to net off the increment value fund arisen from the translation of the net assets of investments in foreign operations. As of March 31, 2024, a portion of bank borrowings amounting to EUR 210,000,000 and contingent liabilities RUB 12,254,302,541 (before tax) was designated as a net investment hedging instrument (December 31, 2023: EUR 210,000,000 and RUB 11,853,246,108 respectively).

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

Foreign currency position

Assets and liabilities denominated in foreign currency held by the Group before consolidation adjustments are as follows:

	March 31, 2024	December 31, 2023
Assets	60,883,987	76,490,848
Liabilities	(100,925,234)	(110,381,427)
Net position of financial statement	(40,041,247)	(33,890,579)
Net position of derivative instruments	32,898,616	25,191,888
Foreign currency position (net)	(7,142,631)	(8,698,691)

Currencies, other than the functional currencies of the Company and its’ subsidiaries are accepted as foreign currencies. The original currencies are presented in thousands (‘000).

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

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of March 31, 2024 are as follows:

	EUR	USD	GBP	RUB	CNY	PLN	JPY	SGD	VND	Other Currency's TRY Equivalent	TRY Equivalent
Current Assets											
Trade receivables	383,509	361,211	59,486	3,111,822	326,726	42,360	1,537,547	4,509	1,167	1,504,895	31,793,917
Monetary financial assets	253,310	460,049	5,711	-	10,906	6,122	1,586,646	6,531	-	241,199	24,528,199
Other	2,908	51,052	-	-	-	-	-	2,268	-	63,102	1,812,541
Non Current Assets											
Trade receivables	873	84,216	-	-	-	-	-	-	-	-	2,749,330
Toplam Vartıklar	640,600	956,528	65,197	3,111,822	337,632	48,482	3,124,193	13,308	1,167	1,809,196	60,883,987
Current Liabilities											
Trade payables	377,549	653,382	1,908	121,218	296,096	-	96,223	2,221	-	277,274	35,968,008
Financial liabilities	355,440	178,654	-	-	3,300	-	-	367	-	8,792	18,161,508
Other monetary liabilities	3,292	5,593	1	11,853,246	-	-	468	841	-	20,145	4,434,904
Non-Current Liabilities											
Trade payables	-	3,724	-	-	-	-	-	-	-	-	120,231
Financial liabilities	701,572	552,074	-	-	-	-	-	-	-	-	42,240,249
Other monetary liabilities	-	-	-	-	-	-	1,569	-	-	-	334
Total Liabilities	1,437,853	1,393,427	1,909	11,974,464	299,396	-	98,260	3,429	-	306,211	100,925,234
Net Position of Financial Statement	(797,253)	(436,899)	63,288	(8,862,642)	38,236	48,482	3,025,933	9,879	1,167	1,502,985	(40,041,247)
Off-balance sheet derivative assets (*)	729,970	920,650	3,000	11,853,246	-	-	-	-	-	199,263	59,568,929
Off-balance sheet derivative liabilities (*)	(412,018)	(129,338)	(66,000)	(4,828,000)	(335,500)	(33,000)	(2,935,000)	(8,745)	-	(1,677,504)	(26,670,313)
Net position of off-balance sheet items	317,952	791,312	(63,000)	7,025,246	(335,500)	(33,000)	(2,935,000)	(8,745)	-	(1,478,241)	32,898,616
Net Asset/(Liability) Position of Foreign Currency	(479,301)	354,413	288	(1,837,396)	(297,264)	15,482	90,933	1,134	1,167	24,744	(7,142,631)
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(797,253)	(436,899)	63,288	(8,862,642)	38,236	48,482	3,025,933	9,879	1,167	1,502,985	(40,041,247)
Hedged Amount of Foreign Currency Assets	412,018	129,338	66,000	4,828,000	335,500	33,000	2,935,000	8,745	-	1,677,504	26,670,313
Hedged Amount of Foreign Currency Liabilities	729,970	920,650	3,000	11,853,246	-	-	-	-	-	199,263	59,568,929

(*) Some portion of EUR denominated bonds issued designated as hedging instrument against to the foreign currency risk arisen from the conversion of net investments in foreign operation at subsidiaries located in Europe, is included in off balance sheet derivative assets.

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

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of December 31, 2023 are as follows:

	EUR	USD	GBP	RUB	CNY	PLN	JPY	SGD	VND	Other Currency's TRY Equivalent	TRY Equivalent (**)
Current Assets											
Trade receivables	491,552	489,673	58,835	1,589,161	410,233	64,070	1,261,515	5,849	1,343	1,038,603	36,751,323
Monetary financial assets	591,190	606,640	144	-	8,045	524	1,823,182	3,396	-	65,201	37,677,511
Other	3,123	53,058	-	-	-	-	-	2,306	-	9,727	1,724,891
Non Current Assets											
Trade receivables	1,282	10,034	-	-	-	-	-	-	-	-	337,123
Toplam Varlıklar	1,087,146	1,159,404	58,979	1,589,161	418,278	64,593	3,084,697	11,550	1,343	1,113,532	76,490,848
Current Liabilities											
Trade payables	445,376	679,178	6,004	23,603	284,024	-	172,272	2,850	-	235,958	36,239,776
Financial liabilities	723,342	92,443	-	-	3,803	-	-	550	-	-	26,311,382
Other monetary liabilities	3,826	6,141	1	13,638,775	-	-	11,509	980	-	-	4,777,460
Non-Current Liabilities											
Trade payables	-	1,828	-	-	-	-	-	-	-	-	53,823
Financial liabilities	748,102	632,850	-	-	-	-	-	-	-	-	42,998,571
Other monetary liabilities	-	14	-	-	-	-	-	-	-	-	414
Total Liabilities	1,920,645	1,412,455	6,005	13,662,378	287,827	-	183,781	4,380	-	235,958	110,381,427
Net Position of Financial Statement	(833,499)	(253,050)	52,974	(12,073,217)	130,451	64,593	2,900,916	7,170	1,343	877,574	(33,890,579)
Off-balance sheet derivative assets (*)	882,223	862,090	14,958	13,638,774	-	-	-	-	-	214,466	59,338,084
Off-balance sheet derivative liabilities (*)	(670,197)	(167,245)	(69,613)	(1,668,423)	(414,804)	(51,779)	(2,922,616)	(9,082)	-	(1,333,324)	(34,146,196)
Net position of off-balance sheet items	212,025	694,845	(54,655)	11,970,352	(414,804)	(51,779)	(2,922,616)	(9,082)	-	(1,118,858)	25,191,888
Net Asset/(Liability) Position of Foreign Currency	(621,474)	441,795	(1,681)	(102,865)	(284,353)	12,815	(21,700)	(1,912)	1,343	(241,284)	(8,698,691)
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(833,499)	(253,050)	52,974	(12,073,217)	130,451	64,593	2,900,916	7,170	1,343	877,574	(33,890,579)
Hedged Amount of Foreign Currency Assets	670,197	167,245	69,613	1,668,423	414,804	51,779	2,922,616	9,082	-	1,333,324	34,146,196
Hedged Amount of Foreign Currency Liabilities	882,223	862,090	14,958	13,638,774	-	-	-	-	-	214,466	59,338,084

(*) Some portion of EUR denominated bonds issued designated as hedging instrument against to the foreign currency risk arisen from the conversion of net investments in foreign operation at subsidiaries located in Europe, is included in off balance sheet derivative assets.

(**) Amounts expressed in thousands of TRY in terms of purchasing power of the TRY at March 31, 2024.

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

As of March 31, 2024, and December 31, 2023, if related currencies had appreciated by 10% against TRY with all other variables held constant, profit before tax and other comprehensive income (before tax) as a result of foreign exchange losses on the translation of foreign exchange position is presented in the tables below. Secured portions include impact of derivative instruments.

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
March 31, 2024				
USD net asset/liability	(1,410,546)	1,410,546	(869,511)	869,511
Secured portion from USD risk	2,554,783	(2,554,783)	2,554,783	(2,554,783)
USD Net effect	1,144,237	(1,144,237)	1,685,272	(1,685,272)
EUR net asset/liability	(2,043,776)	2,043,776	(3,007,350)	3,007,350
Secured portion from EUR risk	375,698	(375,698)	1,106,546	(1,106,546)
EUR Net effect	(1,668,078)	1,668,078	(1,900,804)	1,900,804
GBP net asset/liability	257,370	(257,370)	290,723	(290,723)
Secured portion from GBP risk	(256,199)	256,199	(256,199)	256,199
GBP Net effect	1,171	(1,171)	34,524	(34,524)
JPY net asset/liability	64,391	(64,391)	64,391	(64,391)
Secured portion from JPY risk	(62,456)	62,456	(62,456)	62,456
JPY Net effect	1,935	(1,935)	1,935	(1,935)
PLN net asset/liability	39,316	(39,316)	50,823	(50,823)
Secured portion from PLN risk	(26,761)	26,761	(26,761)	26,761
PLN Net effect	12,555	(12,555)	24,062	(24,062)
RUB net asset/liability	103,936	(103,936)	627,978	(627,978)
Secured portion from RUB risk	(167,793)	167,793	244,155	(244,155)
RUB Net effect	(63,857)	63,857	872,133	(872,133)
VND net asset/liability	-	-	(46,703)	46,703
Secured portion from VND risk	-	-	-	-
VND Net effect	-	-	(46,703)	46,703
CNY net asset/liability	16,998	(16,998)	(8,779)	8,779
Secured portion from CNY risk	(149,143)	149,143	(149,143)	149,143
CNY Net effect	(132,145)	132,145	(157,922)	157,922
SGD net asset/liability	23,667	(23,667)	23,667	(23,667)
Secured portion from SGD risk	(20,950)	20,950	(20,950)	20,950
SGD Net effect	2,717	(2,717)	2,717	(2,717)
Other net asset/liability	87,314	(87,312)	1,656,781	(1,656,781)
Secured portion from other currency risk	(100,112)	100,110	(100,113)	100,113
Other Currency Net effect	(12,798)	12,798	1,556,668	(1,556,668)
	(714,263)	714,263	2,071,882	(2,071,882)

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

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
December 31, 2023				
USD net asset/liability	(744,935)	744,935	(168,611)	168,611
Secured portion from USD risk	2,045,499	(2,045,499)	2,045,499	(2,045,499)
USD Net effect	1,300,564	(1,300,564)	1,876,888	(1,876,888)
EUR net asset/liability	(1,927,936)	1,927,936	(2,932,215)	2,932,215
Secured portion from EUR risk	(96,445)	96,445	690,650	(690,650)
EUR Net effect	(2,024,381)	2,024,381	(2,241,565)	2,241,565
GBP net asset/liability	198,344	(198,344)	231,762	(231,762)
Secured portion from GBP risk	(204,638)	204,638	(204,638)	204,638
GBP Net effect	(6,294)	6,294	27,124	(27,124)
JPY net asset/liability	60,184	(60,184)	60,184	(60,184)
Secured portion from JPY risk	(60,635)	60,635	(60,635)	60,635
JPY Net effect	(451)	451	(451)	451
PLN net asset/liability	48,566	(48,566)	65,056	(65,056)
Secured portion from PLN risk	(38,931)	38,931	(38,931)	38,931
PLN Net effect	9,635	(9,635)	26,125	(26,125)
RUB net asset/liability	51,054	(51,054)	653,393	(653,393)
Secured portion from RUB risk	(54,409)	54,409	390,365	(390,365)
RUB Net effect	(3,355)	3,355	1,043,758	(1,043,758)
VND net asset/liability	-	-	(45,828)	45,828
Secured portion from VND risk	-	-	-	-
VND Net effect	-	-	(45,828)	45,828
CNY net asset/liability	53,761	(53,761)	25,954	(25,954)
Secured portion from CNY risk	(170,949)	170,949	(170,949)	170,949
CNY Net effect	(117,188)	117,188	(144,995)	144,995
SGD net asset/liability	16,016	(16,016)	16,016	(16,016)
Secured portion from SGD risk	(20,286)	20,286	(20,286)	20,286
SGD Net effect	(4,270)	4,270	(4,270)	4,270
Other net asset/liability	87,758	(81,508)	1,862,259	(1,862,259)
Secured portion from other currency risk	(111,888)	105,638	(111,887)	111,887
Other Currency Net effect	(24,130)	24,130	1,750,372	(1,750,372)
	(869,870)	869,870	2,287,158	(2,287,158)

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

Import and exports performed to / from Turkey for the year ended as of March 31, 2024 and 2023 are as follows:

	March 31, 2024	March 31, 2023
	TRY	TRY
EUR	9,317,956	9,107,736
USD	3,190,924	3,133,451
GBP	3,376,666	2,768,724
Other	2,733,248	2,743,816
Total exports	18,618,794	17,753,727
EUR	3,162,386	3,929,002
USD	8,693,651	8,283,773
GBP	24,449	8,795
Other	61,986	7,497
Total imports	11,942,472	12,229,067

NOTE 29 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

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

Financial Assets

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

Financial Liabilities

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term.

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NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

As of March 31, 2024, the carrying value and the fair value of the long-term borrowings, including the short-term portions, are equal to TRY 55,029,754 (December 31, 2023: TRY 54,724,058) (Note 6) and TRY 54,006,967 (December 31, 2023: TRY 62,636,778) respectively. Fair value is calculated by discounting the cash out flows regarding due dates of borrowings considering the changing country risk premium and changes in market interest rates.

Contingent consideration from acquisition transactions

Group measures the contingent consideration liabilities arising from purchase/acquisition transactions at their fair value on its condensed consolidated financial statements. In this context, the contingent consideration liability in relation to the acquisition of IHP Appliances JSC and IHP Appliances Sales LLC, whose acquisitions have been completed as of August 31, 2022 are measured at fair value in the condensed consolidated financial statements as of March 31, 2024.

The contingent consideration liability is calculated by discounting the expected future cash flows of the acquired companies to date. Estimations on earnings before interest tax depreciation amortization (“EBITDA”), long term growth rate and discount rates are taken into account in the calculation of discounted future cash flows of the acquired companies. According to the Group's assessments, EBITDA growth rates are the key assumptions used in the calculation of the discounted contingent consideration liabilities.

Under the assumption of 1% increase/decrease in EBITDA growth rates as at March 31, 2024, all other variables held constant, the Group's contingent consideration liability would have been increased by TRY 366,133/decreased by TRY 386,222.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs, The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: Valuation techniques does not contain observable market inputs.

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NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy table as of March 31, 2024 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 7)	-	67,358	-
Financial investments (Note 5)	7,933	47,576	90,600
Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 7)	-	(954,921)	-
Other long term liabilities (Note 19)	-	-	4,258,860

Fair value hierarchy table as of December 31, 2023 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 7)	-	521,628	-
Financial investments (Note 5)	26,690	45,746	90,655
Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 7)	-	(1,042,338)	-
Other long term liabilities (Note 19)	-	-	3,149,368

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NOTE 30 - SUPPLEMENTARY CASH FLOW INFORMATION

Statements of cash flows are presented within the condensed consolidated financial statements.

Details of “adjustments for provisions” and “adjustments for impairment loss” lines presented in the condensed consolidated statements of cash flows are as follows:

	1 January- March 31, 2024	1 January- December 31, 2023
Adjustments for provisions:		
Provision for assembly and transportation cost	957,398	1,083,562
Accrual for customer premiums	804,329	(27,507)
Provision for employment termination benefits	128,860	212,309
Unused vacation	26,420	84,435
Warranty provision	(134,991)	14,069
Accrual for bonuses and premiums	(139,003)	(254,083)
Other provisions	(8,465)	(30,918)
	1,634,548	1,081,867
Adjustments for impairment loss:		
Provision for impairment on inventories	(41,197)	154,954
Provision for expected credit lose	31,644	31,153
	(9,553)	186,107

NOTE 31 - EVENTS AFTER BALANCE SHEET DATE

As stated in the our material disclosure dated January 17, 2023, in line with Arçelik A.Ş.'s growth strategy, for the purpose of consolidating all of Arçelik's and Whirlpool Corporation's production, sales, and marketing subsidiaries operating in Europe under a structure where Arçelik will control the majority stake have signed a Contribution Agreement.

Additionally, as stated in the disclosures dated January 17, 2023 and June 23, 2023, all shares of two subsidiaries of Whirlpool Corporation, namely Whirlpool MEEA DMCC and Whirlpool Maroc S,a r,l,, operating in the Middle East and North Africa ("MENA") market in the United Arab Emirates and Morocco, respectively, along with Whirlpool's activities in the MENA region, were acquired by Beko B,V, on April 1, 2024, following the closing procedures outlined in the MENA Share Purchase Agreement.

Furthermore, as of April 1, 2024, in compliance with the principles stated in the material disclosure dated January 17, 2023. Contribution Agreement, Brand License Agreements, and other agreements regarding operations and supply have been signed between the parties.