

**TEKNOSA İÇ VE DIŞ TİCARET
ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH
OF CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE
NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

(Originally issued in Turkish)

30 October 2023

This report contains 2 pages of the review report and 40 pages of condensed interim financial statements and notes.

CONTENTS	PAGE(S)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	1-2
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	4
CONDENSED INTERIM STATEMENTS OF CASH FLOWS	5
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	6-40
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	6
NOTE 2 BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS	6-14
NOTE 3 SEGMENT REPORTING	15-16
NOTE 4 RELATED PARTY DISCLOSURES	17-19
NOTE 5 CASH AND CASH EQUIVALENTS	19
NOTE 6 LOANS AND BORROWINGS	20
NOTE 7 TRADE RECEIVABLES AND PAYABLES	21-22
NOTE 8 OTHER RECEIVABLES AND PAYABLES	22
NOTE 9 INVENTORIES	23
NOTE 10 PREPAID EXPENSES AND DEFERRED REVENUE	23
NOTE 11 RIGHT OF USE ASSETS	24
NOTE 12 INVESTMENT PROPERTY	25
NOTE 13 PROPERTY, PLANT AND EQUIPMENT	26-27
NOTE 14 INTANGIBLE ASSETS	28
NOTE 15 PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR EMPLOYEE BENEFITS	29
NOTE 16 PROVISIONS	30
NOTE 17 COMMITMENTS	31
NOTE 18 OTHER CURRENT ASSETS AND LIABILITIES	32
NOTE 19 REVENUE	32
NOTE 20 SELLING AND MARKETING AND GENERAL ADMINISTRATIVE EXPENSES	33
NOTE 21 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	34
NOTE 22 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES	35
NOTE 23 FINANCE COSTS AND INCOME	35
NOTE 24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	36-38
NOTE 25 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)	39
NOTE 26 EVENTS AFTER THE REPORTING PERIOD	40



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**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT
ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH**

To the Board of Directors of Teknosa İç ve Dış Ticaret Anonim Şirketi

Introduction

We have reviewed the accompanying condensed statement of financial position of Teknosa İç ve Dış Ticaret Anonim Şirketi (the "Company") as at 30 September 2023, and the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended, and notes to the interim financial information ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Turkish Accounting Standard 34 Interim Financial Reporting ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

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

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



Erman Durmaz, SMMM
Partner
30 October 2023
İstanbul, Turkey

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH)
 TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
 CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023
 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

ASSETS	Notes	Current Period	Prior Period
		<i>Reviewed</i>	<i>Audited</i>
		30 September 2023	31 December 2022
Current assets			
Cash and cash equivalents	5	2.183.156	1.604.179
Trade receivables	7	651.707	441.042
<i>Trade receivables from related parties</i>	4	44.074	26.528
<i>Trade receivables from third parties</i>	7	607.633	414.514
Inventories	9	6.685.287	3.265.498
Prepaid expenses	10	134.550	80.796
Derivatives		954	--
Other current assets	18	222.822	47.047
Total current assets		9.878.476	5.438.562
Non-current assets			
Other receivables	8	1.171	816
Investment property	12	91.510	91.510
Right of use assets	11	561.717	374.312
Property, plant and equipment	13	408.212	221.282
Intangible assets	14	106.856	78.093
Prepaid expenses	10	7.207	17.445
Deferred tax assets		135.379	75.528
Total non-current assets		1.312.052	858.986
TOTAL ASSETS		11.190.528	6.297.548

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

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

LIABILITIES	Notes	Current	Prior
		Period	Period
		Reviewed	Audited
		30 September 2023	31 December 2022
Short term liabilities			
Short-term loans and borrowings	6	304.030	202.260
- Short-term bank loans from related parties		159.992	108.327
- Short-term bank loans from third parties		144.038	93.933
Short-term portion of long-term finance lease liabilities	6	246.702	154.134
- Short-term portion of long-term finance lease liabilities from related parties	4	2.131	1.075
- Short-term portion of long-term finance lease liabilities from third parties		244.571	153.059
Trade payables	7	8.292.783	4.560.737
- Trade payables to related parties	4	28.133	20.872
- Trade payables to third parties	7	8.264.650	4.539.865
Payables related to employee benefits	15	147.023	62.552
Other payables		11.342	7.511
- Other payables to third parties	8	11.342	7.511
Deferred revenue	10	131.110	78.002
Current income tax liabilities		102.314	32.867
Short term provisions		151.421	99.131
- Short-term provisions for employee benefits	15	81.728	75.440
- Other short-term provisions	16	69.693	23.691
Derivative instruments		1.438	2.613
Other current liabilities	18	8.300	4.255
Total current liabilities		9.396.463	5.204.062
Long term liabilities			
Long-term lease liabilities	6	370.268	263.565
- Long-term lease liabilities from related parties	4	4.456	--
- Long-term lease liabilities from third parties		365.812	263.565
Provisions for employee benefits	15	82.647	68.702
Total non-current liabilities		452.915	332.267
Total liabilities		9.849.378	5.536.329
EQUITY			
Share capital		201.000	201.000
Adjustment to share capital		6.628	6.628
Restricted reserves		19.753	8.704
Other reserves		3	3
Share premiums		184.655	184.655
Other comprehensive income or expense items that will not be reclassified to profit or loss		8.439	21.715
- Losses on remeasurement of defined benefit plans		(56.872)	(42.364)
- Gains on revaluation of property, plant and equipment		65.311	64.079
Other comprehensive income that are or may be reclassified to profit or loss		(363)	(2.119)
- Losses on cash flow hedge		(363)	(2.119)
Retained earnings / (accumulated losses)		329.584	(184.294)
Net profit for the period		591.451	524.927
Total equity		1.341.150	761.219
TOTAL LIABILITIES AND EQUITY		11.190.528	6.297.548

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

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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		Current period	Current period	Prior period	Prior period
		<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>	<i>Reviewed</i>
		1 January - 30 September 2023	1 July- 30 September 2023	1 January - 30 September 2022	1 July- 30 September 2022
	Notes				
Revenue	19	24.861.195	10.408.933	10.788.538	4.539.354
Cost of revenue (-)	19	(20.637.322)	(8.581.027)	(8.905.880)	(3.761.660)
GROSS PROFIT		4.223.873	1.827.906	1.882.658	777.694
Marketing expenses (-)	20	(2.123.778)	(875.698)	(961.280)	(391.736)
General administrative expenses (-)	20	(264.169)	(107.784)	(128.432)	(50.615)
Other income from operating activities	21	493.453	283.033	99.804	32.615
Other expenses from operating activities (-)	21	(999.628)	(450.206)	(279.170)	(110.709)
OPERATING PROFIT		1.329.751	677.251	613.580	257.249
Income from investing activities	22	120.682	62.233	31.571	16.005
Expenses from investing activities (-)	22	--	--	(680)	(87)
Impairment profit / (loss) and reversals of impairment losses in accordance with TFRS 9		(210)	(108)	(25)	(28)
OPERATING PROFIT BEFORE FINANCE COSTS		1.450.223	739.376	644.446	273.139
Finance income	23	95.742	22.845	62.121	30.765
Finance costs (-)	23	(834.459)	(399.777)	(328.992)	(134.030)
OPERATING PROFIT BEFORE INCOME TAX		711.506	362.444	377.575	169.874
Tax expense		(120.055)	(69.766)	(45.216)	(29.310)
- Current tax expense		(174.211)	(102.865)	(73.764)	(33.179)
- Deferred tax income		54.156	33.099	28.548	3.869
NET PROFIT FOR THE PERIOD		591.451	292.678	332.359	140.564
Attributable to:					
Owners of the Company		591.451	292.678	332.359	140.564
Non-controlling interests		--	--	--	--
OTHER COMPREHENSIVE INCOME/(LOSS)					
Items that are or will not be reclassified to profit or loss		(13.276)	(3.358)	(8.021)	(3.100)
<i>Remeasurements of defined benefit liability</i>		(19.344)	(6.117)	(11.889)	(3.875)
<i>Income tax related to items that are or will not be reclassified to profit or loss</i>		6.068	2.759	3.868	775
Items that are or may be reclassified to profit or loss		1.756	(10.170)	(1.808)	(8.546)
<i>Gains/(losses) on cash flow hedges</i>		2.129	(12.743)	(2.363)	(11.098)
<i>Income tax related to items that are or may be reclassified to profit or loss</i>		(373)	2.573	555	2.552
TOTAL COMPREHENSIVE LOSS		(11.520)	(13.528)	(9.829)	(11.646)
TOTAL COMPREHENSIVE INCOME		579.931	279.150	322.530	128.918
Earnings per share [(For 1 lot share)]		0,0294	0,0146	0,0165	0,0070
Diluted earnings per share [(For 1 lot share)]		0,0294	0,0146	0,0165	0,0070

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

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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
CONDENSED CASH FLOW STATEMENTS FOR THE INTERIM NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		Current Period	Prior Period
		<i>Reviewed</i>	<i>Reviewed</i>
		1 January - 30 September 2023	1 January - 30 September 2022
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		591.451	332.359
<u>Adjustments to reconciliation of net profit for the period</u>			
Adjustments for depreciation and amortisation expenses	20	256.667	139.844
Adjustment for the (gains)/losses on sale of fixed assets	22	--	56
Impairment / (cancellation) of tangible assets	13	146	77
Impairment / (cancellation) of intangible assets	14	35	--
Adjustments for (reversal of)/impairment of receivables	7	210	25
Adjustments for (reversal of)/for other provisions		45.138	11.451
Adjustments for impairment of right of use assets	11	5.134	803
Adjustments for impairment of inventory	9	56.826	15.176
Adjustments for (reversal of)/provision for employee benefits		36.835	28.256
Adjustments for interest income	22	(120.682)	(30.947)
Adjustments for finance costs and income	23	738.717	266.871
Adjustments for tax expense		120.055	45.216
		1.730.532	809.187
Changes in working capital:			
Increase in trade receivables from third parties		(193.329)	(139.582)
Increase in trade receivables from related parties		(17.546)	(13.054)
Increase in inventories		(3.476.615)	(1.831.832)
Increase in other assets related to operations		(222.095)	(188.365)
Increase/(decrease) in trade payables to third parties		3.724.785	1.824.092
Increase/(decrease) in trade payables to related parties		7.261	(4.589)
Increase/(decrease) in other liabilities related to operations		146.431	55.495
Payments related to provisions for employee benefits		(35.946)	(4.929)
Tax paid		(104.764)	(36.918)
Payments related to other provisions		(110)	(2.488)
Cash used in operating activities		1.558.604	467.017
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	13	(238.395)	(67.320)
Acquisition of intangible assets	14	(58.791)	(26.303)
Proceeds from sale of property, plant and equipment and intangible assets		7.181	435
Interest received	22	120.682	30.947
Cash used in investing activities		(169.323)	(62.241)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Other financing cost paid		(672.960)	(260.526)
Payments for lease liabilities	6	(260.828)	(146.859)
Proceeds from bank borrowings	6	186.750	196.000
Repayments of bank borrowings	6	(152.280)	(128.179)
Cash used in from financing activities		(899.318)	(339.564)
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)			
		489.963	65.212
The effect of changes in foreign exchange rates on cash and cash equivalents in foreign currency	23	89.014	59.694
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
	5	1.604.179	709.408
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)			
	5	2.183.156	834.314

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

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TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

Teknosa İç ve Dış Ticaret Anonim Şirketi, (“Teknosa” or “the Company”) was established on 3 March 2000, and is engaged in retail sales of consumer electronics through its stores and website www.teknosa.com and air conditioners and white goods through its dealers. In addition, the website www.teknosa.com became “Marketplace” as of 4 February 2022 and started selling its own products to its customers as well as the products of its authorized dealers on its website. The Company’s main shareholder is Hacı Ömer Sabancı Holding A.Ş. As at 30 September 2023, number of personnel of the Company is 2.781. (31 December 2022: 2.458). The Company is registered in Turkey and operates under the laws and regulations of Turkish Commercial Code.

In accordance with the resolution of the Board of Directors dated 6 April 2016, the Company merged with Kliksa İç ve Dış Ticaret Anonim Şirketi (“Kliksa”) which was 100% subsidiary of the Company in the previous periods through dissolving without liquidation by transferring all of its assets and liabilities fully as at 1 June 2016.

The Company operates in Turkey in 187 stores with 103.685 square meters retail space as at 30 September 2023 (31 December 2022: 100.432 square meters, 189 stores). The registered office address of the Company is as follows:

Carrefoursa Plaza Cevizli Mahallesi. Tugay Yolu Caddesi No:67 Blok:B Maltepe - İstanbul

The Company’s shares have been traded on Borsa Istanbul since 2012.

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

2.1 Basis of presentation

(i) Statement of compliance

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

The condensed interim consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed version. The Company’s condensed interim financial statements do not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed interim financial statements should be considered together with the financial statements as of 31 December 2022.

Approval of condensed interim financial statements:

The interim financial statements are approved by the Company’s Board of Directors on 30 October 2023. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these interim financial statements.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

(ii) Basis of measurement

The financial statements have been prepared on historical cost basis except for revaluation of land, building, investment properties measured at fair value and derivatives. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are prepared by reflecting the necessary corrections and classifications to the legal records prepared based on historical cost, in order to make the right presentation in accordance with TFRS.

(iii) Presentation and functional currency

These financial statements are presented in Turkish Lira ("TL"), which is the valid currency of the Company. Unless otherwise stated, all financial information presented in TL has been rounded to the nearest thousand TL.

(iv) Preparation of financial statements in hyperinflationary periods

In accordance with the announcement made by the POA on 20 January 2022, it has been stated that companies applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies ("TAS 29"). Since no new announcement has been made by POA regarding the application of inflation accounting, no inflation adjustment has made in accordance with TAS 29 while preparing the financial statements as of 30 September 2023.

(v) Comparative information and reclassifications of the prior periods' financial statements

The financial statements of the Company have been prepared comparatively with the prior year in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes with respective disclosures for the major differences.

The Company has not made reclassifications on prior period financial statements.

2.2 Changes in significant accounting policies

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2022.

2.3 Changes in estimates and error

If the changes in accounting estimates are related with a period, they are applied in the period they are related with and if the changes are related with the future periods, they are applied both in the period the change is made and prospectively in the future periods. Identified significant accounting errors are applied retrospectively and prior period financial statements are restated.

The assumptions and significant accounting estimates used in the preparation of the interim condensed financial statements as of 30 September 2023 have not changed compared to those used in the preparation of the financial statements as of the year ended 31 December 2022.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.4 Summary of Significant Accounting Policies

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 September 2023**

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however, the Company has not early adopted are as follows.

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

On 23 January 2020, IASB issued “Classification of Liabilities as Current or Non-Current” which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Related amendment was published by POA as “TFRS 2023” on 3 January 2023.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The Company shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

The Company does not expect that application of these amendments to TAS 1 will have significant impact on its financial statements.

Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Related amendment was published by POA as “TFRS 2023” on 3 January 2023. Amendments to TFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.4 Summary of Significant Accounting Policies (Continued)

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 September 2023 (Continued)**

Standards issued but not yet effective and not early adopted (Continued)

Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases (Continued)

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of TFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of TFRS 16 in 2019, and potentially restate those that included variable lease payments.

The Company does not expect that application of these amendments to Amendments to TFRS 16 Leases will have significant impact on its financial statements.

Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures. Related amendment was published by POA on 19 September 2023. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows.

The IASB’s amendments apply to supplier finance arrangements¹ that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in TAS 7 and another in TFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk.

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.4 Summary of Significant Accounting Policies (Continued)

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 September 2023 (Continued)**

Standards issued but not yet effective and not early adopted (Continued)

**Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures
– Supplier Finance Arrangements (Continued)**

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Company does not expect that application of these amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements will have significant impact on its financial statements.

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

IASB has amended TAS 12 to:

- Provide a temporary mandatory relief from deferred tax accounting for top-up tax; and
- Require companies to provide new disclosures to compensate for the potential loss of information resulting from the relief.

IASB has amended TAS 12 to introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing the GloBE model rules. Related amendment was published by POA on 19 September 2023. Under the relief, companies are effectively exempt from providing for and disclosing deferred tax related to top-up tax. However, they need to disclose that they have applied the relief.

The relief is effective immediately and applies retrospectively in accordance with TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. It will apply until the IASB decides either to remove it or to make it permanent.

IASB has introduced new disclosures, that companies are required to provide in their financial statements from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

The Company does not expect that application of these Amendments to TAS 12 will have significant impact on its financial statements.

The new standards, amendments and interpretations that are issued by the IASB/ISSB but not issued by POA

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS® Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on.

The ISSB’s first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies’ future cash flows.

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.4 Summary of Significant Accounting Policies (Continued)

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 September 2023 (Continued)**

**The new standards, amendments and interpretations that are issued by the IASB but not issued
by POA (Continued)**

**IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and
IFRS S2 Climate-related Disclosures**

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt.

The Company does not expect that application of these amendments IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures will have significant impact on its financial statements.

**Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange
Rates**

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- When a currency is exchangeable into another currency; and
- How a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company’s objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Therefore, when estimating a spot rate a company can use:

- An observable exchange rate without adjustment; or
- Another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- The nature and financial impacts of the currency not being exchangeable;
- The spot exchange rate used;
- The estimation process; and
- Risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Company does not expect that application of these Amendments to IAS 21 will have significant impact on its financial statements.

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.4 Summary of Significant Accounting Policies (Continued)

**Amendments in Turkish Financial Reporting Standards That Are Issued but Not Effective as of
30 September 2023 (Continued)**

**The new standards, amendments and interpretations that are issued by the IASB but not issued
by POA (Continued)**

**Amendments to IAS 12- IFRS for SMEs Accounting Standard – International Tax Reform – Pillar
Two Model Rules**

On 29 September 2023, IASB has also published amendments to Section 29 Income Tax of the IFRS for SMEs Accounting Standard. They are similar to those made to IAS 12 under the full IFRS Accounting Standards, although the approach to disclosures about exposure to the top-up tax differs.

Companies can benefit from the temporary exception in this amendment immediately. They are required to provide the disclosures set out in the amendments for annual reporting periods beginning on or after 1 January 2023.

Amendments are effective on 1 January 2023

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2023:

- 1- Disclosure of Accounting Policies (Amendments to TAS 1)
- 2- Definition of Accounting Estimates (Amendments to TAS 8)
- 3- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes

These newly adopted amendments to standards have not been a significant impact on the financial statements of the Company.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.5 Critical judgments and estimates

While preparing the financial statements, the management made judgments, estimates and assumptions affecting the application of the accounting policies of the Company and the amounts of the reported assets, liabilities, income and expenses. Actual amounts may vary from estimated amounts.

Estimates and related assumptions are constantly reviewed. Changes made to estimates are recognized prospectively.

The Company management has made the following judgments that have the most significant effect on the amounts recognised in the interim financial statements.

Useful lives of property, plant and equipment and intangible assets

Items of property and equipment and intangible assets except for land and buildings are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Useful lives are based on management’s best estimates and reviewed at each reporting date and adjusted if appropriate.

Estimated impairment of tangible and intangible assets

The Company assesses at each reporting date to determine whether there is any indication of impairment. If the stores which are operating more than 1 year generates operating profit/ (loss) before income tax lower than the planned performance result, this situation is assessed as an objective evidence for impairment. If any such indication exists, then the asset’s recoverable amount is compared with the carrying amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. If the carrying amount of an asset or any cash generating unit that the asset belongs to is higher than its net realizable value, the value of the asset has impaired. Additionally, the Company recognises allowance for impairment for the tangible assets and right of use assets of the stores for which the Company management has expected to close down. The mentioned provision amount is applied at the rate of 100% over the net book value of right-of-use assets, 100% for leasehold improvements and 50% over the net book value of tangible fixed assets. As of 30 September 2023, the Company has recorded a net impairment of TL 5.134 for right-of-use assets, TL 146 for tangible assets and TL 36 for intangible assets (30 September 2022: TL 803 right-of-use assets, TL 77 impairment of property, plant and equipment, there is no impairment for intangible assets) (Note 11 and 13).

Allowance on inventories

In accordance with the accounting policy, inventories are stated at the net realisable value (“NRV”). The Company measures the products with selling prices lower than its cost at lower of cost or NRV. NRV, is the value after deducting the estimated expenditures to be made to bring the stocks at sale at the estimated selling price.

The Company makes aging analysis for its inventories based on certain date ranges from the acquisition date. Impairment is calculated for the old stock over 180 days with different rates applied for each date range based on the aging analysis as at reporting date. The Company recognised allowance on inventories amounting to TL 79.889 as at 30 September 2023 (31 December 2022: TL 23.063) (Note 9).

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

**NOTE 2 –BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS
(Continued)**

2.5 Critical judgments and estimates (Continued)

Deferred tax assets

The Company recognises deferred tax asset or liability in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes in accordance with TFRS and the amounts used for taxation purposes. The Company has deferred tax assets arising from carried forward tax losses and other temporary differences deductible from its potential future profits. The Company management estimates the amount of deferred tax assets which is fully and partially recoverable based on the current circumstances and available information. During the assessment, projections of future taxable income, current year and carried forward losses, potential expiration dates for utilisation of tax losses and other tax assets, and tax planning strategies are considered.

Accounting of gift checks

The Company recognises income from the gift checks by estimating the portion which will not be used by the customers based on the historic data. As at 30 September 2023, the amount offset from the deferred revenue from the gift checks recognised in the financial statement is amounting to TL 42.128 (31 December 2022: TL 25.952) (Note 10).

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 3 – SEGMENT REPORTING

The Company applies TFRS 8 starting from 1 January 2009 and determined the reportable segments based on the internal management reports which are regularly reviewed by the decision maker.

In order to take the decisions about the allocation of resources to the operating segments and evaluate the performance of these segments, the decision maker reviews the results and the operations by sales channel. The Company’s sales channel are as follows: Electronics retail sales, and sales of air conditions and white goods through dealers. These sales are also reviewed as stores and e-commerce (including Marketplace sales) and dealers (İklimsa). In addition, assets and liabilities are not included in the segment reporting, since they are not regularly presented to the decision maker and are not reviewed in as a part of segment reporting.

Details of the segment reporting according to the internal management reports are as follows:

	1 January -30 September 2023		
	Stores and e-commerce	Dealer Group	Total
Total segment income	23.522.408	1.338.787	24.861.195
Adjusted EBITDA	1.894.717	226.775	2.121.492

	1 January -30 September 2022		
	Stores and e-commerce	Dealer Group	Total
Total segment income	10.077.247	711.291	10.788.538
Adjusted EBITDA	801.096	135.420	936.516

	1 July -30 September 2023		
	Stores and e-commerce	Dealer Group	Total
Total segment income	9.835.465	573.468	10.408.933
Adjusted EBITDA	833.563	116.739	950.302

	1 July -30 September 2022		
	Stores and e-commerce	Dealer Group	Total
Total segment income	4.250.519	288.835	4.539.354
Adjusted EBITDA	341.431	45.855	387.286

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 3 – SEGMENT REPORTING (Continued)

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Reconciliation of Adjusted EBITDA with profit before taxes	2.121.492	950.301	936.516	387.286
Depreciation and amortisation expenses	(256.667)	(98.171)	(139.844)	(50.772)
Finance income /(costs), net	(738.717)	(376.932)	(266.871)	(103.265)
Income/(expenses) from investing activities, net	120.682	62.233	30.891	15.918
Impairment profit / (loss) and Reversals of Impairment Losses in Accordance with IFRS 9	(210)	(108)	(25)	(28)
Other operating income/(expenses), net	(506.175)	(167.173)	(179.364)	(78.094)
Provision for employee termination benefits	(28.899)	(7.706)	(3.728)	(1.171)
Profit/(loss) before tax	711.506	362.444	377.575	169.874

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 4 – RELATED PARTY DISCLOSURES

The related parties listed below are the companies directly or indirectly controlled by Hacı Ömer Sabancı Holding A.Ş., the parent company of Teknosa or the companies over which Hacı Ömer Sabancı Holding A.Ş. has significant influence.

	30 September 2023	
	Receivables	Payables
	Current	Current
Balances with related parties	Trading	Trading
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	32.749	1.997
Akbank T.A.Ş.	7.761	--
Çimsa Çimento San. ve Tic. A.Ş.	1.267	--
Akçansa Çimento San. ve Tic. A.Ş.	835	--
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	483	19.999
Hacı Ömer Sabancı Holding A.Ş.	455	295
Kordsa Teknik Tekstil A.Ş.	339	--
Brisa Bridgestone Sabancı Lastik San.Ve Tic. A.Ş.	111	--
Agesa Hayat ve Emeklilik A.Ş. ve Bağlı Ortaklıkları	44	--
Aksigorta A.Ş.	30	5.092
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	734
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	16
	44.074	28.133

	31 December 2022	
	Receivables	Receivables
	Current	Current
Balances with related parties	Trading	Trading
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	23.374	--
Akbank T.A.Ş.	1.874	--
Brisa Bridgestone Sabancı Lastik San. ve Tic. A.Ş.	517	--
Akçansa Çimento San. ve Tic. A.Ş.	304	--
Çimsa Çimento San. ve Tic. A.Ş.	296	--
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	73	15.948
Aksigorta A.Ş.	46	2.010
Agesa Hayat ve Emeklilik A.Ş. ve Bağlı Ortaklıkları	43	--
Kordsa Teknik Tekstil Anonim Şirketi	1	--
Hacı Ömer Sabancı Holding A.Ş.	--	1.140
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	11
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	--	1
Enerjisa Enerji Üretim A.Ş.	--	1
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	1.761
	26.528	20.872

	30 September	31 December
	2023	2022
<u>Deposits at Akbank T.A.Ş.</u>		
Time deposit	1.342.158	--
Demand deposit	90.432	163.469
	1.432.590	163.469

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

<u>Other liquid asset in Akbank T.A.Ş.</u>	30 September 2023	31 December 2022
Other liquid assets	221.434	1.186.429
	221.434	1.186.429
<u>Credit card receivables in Akbank T.A.Ş.</u>	30 September 2023	31 December 2022
Credit card receivables	34.835	22.672
	34.835	22.672
<u>Short-term bank loans in Akbank T.A.Ş.</u>	30 September 2023	31 December 2022
Short-term bank loans	159.992	108.327
	159.992	108.327

Transactions with related parties	1 Ocak – 30 September 2023		
	Sale of goods	Rent expense	Other expenses
Akbank T.A.Ş.	77.942	--	--
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	57.177	(6.587)	(3.536)
Çimsa Çimento San. ve Tic.A.Ş.	2.867	--	--
Kordsa Teknik Tekstil A.Ş.	1.715	--	--
Akçansa Çimento San. ve Tic. A.Ş.	1.289	--	--
Hacı Ömer Sabancı Holding A.Ş.	913	--	(433)
Aksigorta A.Ş.	878	--	(24.732)
Agesa Hayat ve Emeklilik A.Ş. ve Bağlı Ortaklıkları	873	--	--
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	493	--	(83.336)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	389	--	--
Enerjisa Enerji Üretim A.Ş.	234	--	--
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	--	--	(16.240)
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	--	(45)
	144.770	(6.587)	(128.322)

Transactions with related parties	1 Ocak – 30 September 2022		
	Sale of goods	Rent expense	Other expenses
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	49.634	(3.294)	(4.601)
Akbank T.A.Ş.	28.558	--	--
Hacı Ömer Sabancı Holding A.Ş.	614	--	(749)
Çimsa Çimento San. ve Tic.A.Ş.	474	--	--
Akçansa Çimento San. ve Tic. A.Ş.	460	--	--
Agesa Hayat ve Emeklilik A.Ş. ve Bağlı Ortaklıkları	268	--	--
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	140	--	--
Aksigorta A.Ş.	87	--	(10.060)
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	29	--	(42.234)
Kordsa Teknik Tekstil A.Ş.	21	--	--
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	20	--	--
Enerjisa Enerji Üretim A.Ş.	20	--	--
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	17	--	--
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	3	--	(6.466)
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	--	--	(42)
	80.345	(3.294)	(64.152)

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 4 – RELATED PARTY DISCLOSURES (Continued)

The details of short and long-term lease liabilities to related parties as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Short portion of long-term lease liabilities to related parties	2.131	1.075
Long-term lease liabilities to related parties	4.456	--
	6.587	1.075

Benefits for the key management personnel

The Company’s key management has been identified as the general managers and assistant general managers. Remuneration to key management personnel consists of wages, premiums, pensions, health insurance and life insurance payments. Remunerations of key management personnel for the periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 January – 30 September 2022
Salaries and other benefits	32.201	13.826
	32.201	13.826

NOTE 5 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Cash	7.213	8.040
Time deposit	1.487.165	--
Demand deposit	297.656	288.339
Credit card slip receivables	169.688	121.371
Other liquid assets (*)	221.434	1.186.429
	2.183.156	1.604.179

The Company does not have any blocked deposits as at 30 September 2023 and 31 December 2022.

The details of time deposits, maturity dates and interest rates of the company as at 30 September are as follows:

Currency	Maturity	Interest Rate	30 September 2023
TL	1 October 2023	42,00%	1.200.000
TL	1 October 2023	26,00%	8.050
USD	30 October 2023	5,50%	136.884
USD	31 October 2023	5,00%	136.884
		Accrual of interest	5.347
			1.487.165

(*) Other liquid assets consist of short-term liquid funds used by the Company from Akbank A.Ş. The maturity of the relevant fund is 2 October 2023, and the interest rate is 35,81%. As of 30 September 2023, TL 434 interest accrual has been accounted for. (For 31 December 2022, the maturity of the related fund is 2 January 2023, the interest rate is 21,11%. As of 31 December 2022, TL 1.429 interest accrual has been accounted for.)

The Company’s exposure to credit risk, foreign currency risk and details of impairment for cash and cash equivalents are disclosed in Note 24.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 6 - SHORT-TERM LOANS AND BORROWINGS

The details of loans and borrowings as at 30 September 2023 and 31 December 2022 are as follow:

30 September 2023				
	Currency	Interest Rate	Amount	Maturity
Unsecured bank loans	TL	32,85%	19.786	13 October 2023
Unsecured bank loans	TL	44,09%	108.111	25 October 2023
Unsecured bank loans	TL	45,32%	46.791	12 January 2024
Unsecured bank loans	TL	34,74%	51.882	23 February 2024
Unsecured bank loans	TL	26,89%	77.460	5 March 2024
Short-term financial liabilities			304.030	

31 December 2022				
	Currency	Interest Rate	Amount	Maturity
Unsecured bank loans	TL	21,40%	93.933	14 March 2023
Unsecured bank loans	TL	44,09%	108.327	25 October 2023
Short-term financial liabilities			202.260	

The reconciliation of the Company's liabilities arising from bank loans for the accounting periods ending on 30 September 2023 and 2022 is as follows:

	2023	2022
Bank borrowings as of 1 January	202.260	--
Cash inflows during the period	186.750	196.000
Interest and principal repayments during the period	(152.280)	(128.179)
Interest expense during the period (including accruals)	67.300	21.737
Bank borrowings as of 30 September	304.030	89.558

The details of lease liabilities as at 30 September 2023 and 31 December 2022 are as follows:

	Present value of minimum lease payments	
	30 September 2023	31 December 2022
Within one year	281.337	178.323
Less: future finance charges	(34.635)	(24.189)
Present value of lease liabilities	246.702	154.134
Within two years and after	422.252	304.927
Less: future finance charges	(51.984)	(41.362)
Present value of lease liabilities	370.268	263.565

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

The reconciliation of the Company's liabilities arising from leasing activities is as follows:

	2023	2022
Lease liabilities at 1 January	417.699	209.133
Increase/ (decrease) in lease liabilities during the period	372.628	294.736
Lease payments during the period	(260.828)	(146.859)
Interest expense during the period	87.471	44.302
Lease liabilities at 30 September	616.970	401.312

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and trade payables as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Short-term trade receivables		
Trade receivables	398.808	291.311
Notes receivables	216.371	130.539
Due from related parties (Note 4)	44.074	26.528
Allowance for doubtful receivables (-)	(7.546)	(7.336)
	651.707	441.042

The average maturity of the Company's trade receivables is 1-7 days for retail receivables and 56 days for dealer groups. (31 December 2022: For retail: 1-7 days, 49 days for dealer receivables). As of 30 September 2023, the Company does not apply overdue interest on trade receivables. (31 December 2022: None).

The movement table of the Company's provision for doubtful receivables is as follows:

	30 September 2023	30 September 2022
As at 1 January	7.336	7.252
Charge for the period	235	200
Reversals	(25)	(175)
	7.546	7.277

As of 30 September 2023 and 31 December 2022, the Company obtained the collaterals listed below for the checks, notes and trade receivables:

	30 September 2023	31 December 2022
Letters of guarantees received	520.886	283.260
Mortgages	6.132	7.432
	527.018	290.692

Fair value of the collaterals which the Company is permitted to sell or re-pledge without the default by the owner of the collateral is TL 527.018 (31 December 2022: TL 290.692).

As at the reporting date, there are not any collaterals or mortgages which are sold or re-pledged by the Company.

The Company's exposure to credit risk, foreign currency risk and details of impairment for short-term trade receivables are disclosed in Note 24.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Short term trade payables:

	30 September 2023	31 December 2022
Trade payables	7.850.622	4.519.299
Due to related parties (Note 4)	28.133	20.872
Expense accruals	414.028	20.566
	8.292.783	4.560.737

As at 30 September 2023, the Company offsets income accruals from its suppliers amounting to TL 551.640 with trade payables (31 December 2022: TL 232.182). Average payment term of trade payables is 74 days (31 December 2022: 80 days). The Company does not have payments on a monthly basis for late interest as of 30 September 2023. (31 December 2022: None).

The foreign exchange rate risk and liquidity risk for the Company’s trade payables are disclosed in Note 24.

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

The details of other receivables and other payables as at 30 September 2023 and 31 December 2022 are as follows:

Other receivables

	30 September 2023	31 December 2022
Deposits and guarantees given	1.171	816
	1.171	816

Other payables

	30 September 2023	31 December 2022
Deposits and guarantees received	11.342	7.511
	11.342	7.511

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 9 - INVENTORIES

The details of the inventories as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Trading goods	6.413.066	3.081.163
Goods in transit	352.110	207.398
Allowance for impairment on inventories (-)	(79.889)	(23.063)
	6.685.287	3.265.498

The movements of allowance for inventories for the periods ended at 30 September 2023 and 30 September 2022 are as below:

	30 September 2023	30 September 2022
<i>Allowance for impairment on inventories:</i>		
As at 1 January	(23.063)	(14.001)
Provision used in/(allocated) during the period, net	(56.826)	(15.176)
As at 30 September	(79.889)	(29.177)

NOTE 10 – PREPAID EXPENSES AND DEFERRED REVENUE

The details of prepaid expenses as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
<i>Short-term prepaid expenses</i>		
Advances given for inventories	94.152	68.733
Short-term prepaid expenses	40.398	12.063
	134.550	80.796

	30 September 2023	31 December 2022
<i>Long-term prepaid expenses</i>		
Long-term prepaid expenses	7.207	17.445
	7.207	17.445

The details of the deferred revenue as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
<i>Short-term deferred revenue</i>		
Advances received	87.402	49.498
Income from gift checks	42.128	25.952
Other	1.580	2.552
	131.110	78.002

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

NOTE 11 – RIGHT OF USE ASSETS

As of 30 September 2023 and 2022, the movement of right of use assets is as follows:

<u>Cost value</u>	Buildings	Vehicles	Total
1 January 2023 opening balance	769.710	14.817	784.527
Additions	369.089	8.523	377.612
Disposals	(6.441)	--	(6.441)
Impairment	(8.627)	--	(8.627)
30 September 2023 closing balance	1.123.731	23.340	1.147.071
<u>Accumulated depreciation</u>			
1 January 2023 opening balance	(400.471)	(9.744)	(410.215)
Charge for the period	(178.064)	(4.473)	(182.537)
Disposal	3.905	--	3.905
Impairment	3.493	--	3.493
30 September 2023 closing balance	(571.137)	(14.217)	(585.354)
Net carrying amount as of 1 January 2023	369.239	5.073	374.312
Net carrying amount as of 30 September 2023	552.594	9.123	561.717
<u>Cost value</u>			
	Buildings	Vehicles	Total
1 January 2022 opening balance	426.810	13.476	440.286
Additions	303.183	895	304.078
Disposals	(15.588)	--	(15.588)
Impairment	(1.610)	--	(1.610)
30 September 2022 closing balance	712.795	14.371	727.166
<u>Accumulated depreciation</u>			
1 January 2022 opening balance	(267.946)	(5.973)	(273.919)
Charge for the period	(98.243)	(2.709)	(100.952)
Disposal	8.162	--	8.162
Impairment	807	--	807
30 September 2022 closing balance	(357.220)	(8.682)	(365.902)
Net carrying amount as of 1 January 2022	158.864	7.503	166.367
Net carrying amount as of 30 September 2022	355.575	5.689	361.264

As of 30 September 2023 the depreciation expense is TL 182.537. (30 September 2022: TL 100.952), thereof TL 180.668 of depreciation charges included in marketing expenses (30 September 2022: TL 99.942) and TL 1.869 included in general administrative expenses (30 September 2022: TL 1.010).

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŐ TİCARET ANONİM ŐRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 12 – INVESTMENT PROPERTY

The net book value of the investment properties of the company is TL 91.510 as of 30 September 2023 (31 December 2022: TL 91.510).

The Company generates rental income by TL 3.517 (2022: TL 2.114) from its investment property, which is leased by an operating lease agreement. Direct operating costs arising from the investment property is amounting to TL 1.930 (2022: TL 575). Operating expenses which are not related to the Teknosa store are distributed to lessees.

Buildings which are recognized as property, plant and equipment and investment property were revalued by an independent appraisal firm named Harmoni Gayrimenkul Deęerleme ve DanıŐmanlık A.Ő. on 14 February 2023.

The appraisal firm is an accredited independent firm licensed by CMB and have appropriate qualifications and recent experience in appraising properties in the relevant locations. For the fair value of the lands and buildings owned, it was calculated by using the “Market Approach”, “Revenue Approach” and “Cost Approach”, and the results obtained were harmonized and the final value was reached.

Fair value of the related building is level 2.

30 September 2023 and 31 December 2022 there is no mortgage on investment properties.

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH)
 TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and related accumulated depreciation for the period ended 30 September 2023 are as follows:

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2023	56.721	95	242	171.705	154.229	27.475	410.467
Additions	--	--	--	86.065	35.485	116.845	238.395
Disposals	--	(3)	--	(6.398)	(8.292)	--	(14.693)
Allowance of impairment (*)	--	--	--	(197)	(913)	--	(1.110)
Transfers	--	--	--	30.753	31.099	(62.071)	(219)
Balance at 30 September 2023	56.721	92	242	281.928	211.608	82.249	632.840
Accumulated depreciation and impairment losses							
Balance at 1 January 2023	(6.617)	(95)	(97)	(83.607)	(98.769)	--	(189.185)
Charge for the period	(1.080)	--	(28)	(26.801)	(16.010)	--	(43.919)
Disposals	--	3	--	5.479	2.030	--	7.512
Allowance of impairment (*)	--	--	--	91	873	--	964
Balance at 30 September 2023	(7.697)	(92)	(125)	(104.838)	(111.876)	--	(224.628)
Net carrying amount at 31 December 2022	50.104	--	145	88.098	55.460	27.475	221.282
Net carrying amount at 30 September 2023	49.024	--	117	177.090	99.732	82.249	408.212

(*) As of 30 September 2023, the impairment loss during the period calculated for property, plant and equipment is net TL 146 (30 September 2022: reversal of impairment loss is TL 77).

For the period ended 30 September 2023, thereof TL 39.663 of depreciation charges included in marketing expenses (30 September 2022: TL 16.455) and TL 4.256 included in general administrative expenses (30 September 2022: TL 1.557).

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH)
 TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movement of property, plant and equipment and related accumulated depreciation for the year period ended 30 September 2022 are as follows:

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Balance at 1 January 2022	27.929	369	242	112.049	113.403	6.925	260.917
Additions	--	--	--	21.147	12.771	33.402	67.320
Disposals	--	--	--	(1.162)	(2.657)	--	(3.819)
Allowance of impairment (*)	--	--	--	(468)	(1.172)	--	(1.640)
Transfers	--	--	--	16.216	5.374	(29.066)	(7.476)
Balance at 30 September 2022	27.929	369	242	147.782	127.719	11.261	315.302
Accumulated depreciation and impairment losses							
Balance at 1 January 2022	(5.930)	(369)	(60)	(77.580)	(92.807)	--	(176.746)
Charge for the period	(517)	--	(28)	(10.651)	(6.816)	--	(18.012)
Disposals	--	--	--	758	2.570	--	3.328
Allowance of impairment (*)	--	--	--	444	1.119	--	1.563
Balance at 30 September 2022	(6.447)	(369)	(88)	(87.029)	(95.934)	--	(189.867)
Net carrying amount at 31 December 2021	21.999	--	182	34.469	20.596	6.925	84.171
Net carrying amount at 30 September 2022	21.482	--	154	60.753	31.785	11.261	125.435

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 14 – INTANGIBLE ASSETS

The movement of intangible assets and related accumulated depreciation for the period ended 30 September 2023 and 2022 are as follows:

<u>Cost</u>	Licences-rights and computer software	Total
Balance at 1 January 2023	232.203	232.203
Additions	58.791	58.791
Transfers	219	219
Impairment	(59)	(59)
Disposals	--	--
Balance at 30 September 2023	291.154	291.154
<u>Accumulated amortization</u>		
Balance at 1 January 2023	(154.111)	(154.111)
Charge for the period	(30.211)	(30.211)
Impairment	24	24
Balance at 30 September 2023	(184.298)	(184.298)
Net book value as at 31 December 2022	78.093	78.093
Net book value as at 30 September 2023	106.856	106.856
	Licences-rights and computer software	Total
<u>Cost</u>		
Balance at 1 January 2022	175.620	175.620
Additions	26.303	26.303
Transfers	7.476	7.476
Balance at 30 September 2022	209.399	209.399
<u>Accumulated amortisation</u>		
Balance at 1 January 2022	(125.407)	(125.407)
Charge for the period	(20.880)	(20.880)
Balance at 30 September 2022	(146.287)	(146.287)
Net book value as at 31 December 2021	50.213	50.213
Net book value as at 30 September 2022	63.112	63.112

(*) As of 30 September 2023, the impairment loss during the period calculated for intangible assets is net TL 36 (30 September 2022: none).

Amortisation expenses amounting to TL 18.762 (30 September 2022: TL 7.620) are included in marketing expenses and TL 11.449 (30 September 2022: TL 13.260) are included in general administrative expenses.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

NOTE 15– PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR EMPLOYEE BENEFITS

The details of payables related to employee benefits as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Social security premiums payable	68.850	29.348
Accrued salaries	63.883	26.123
Income taxes payable	14.290	7.081
	147.023	62.552

The details of the provisions for employee benefits as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
<i>Short-term provisions</i>		
Provision for unused vacation	20.615	10.223
Provision for head office personnel premium	31.409	42.282
Provision for sales personnel premium	29.704	22.935
	81.728	75.440
<i>Long-term provisions</i>		
Provision for employee termination benefit	77.653	65.357
Provision for head office personnel premium	4.994	3.345
	82.647	68.702

Provisions for employment benefits

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age after 25 years of service (58 for women and 60 for men).

Retirement pay liability is not subject to any kind of funding legally. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Due to the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 September 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 0,50% real discount rate (31 December 2022: 0,50%) calculated by using 18,95% annual inflation rate and 19,54% interest rate. Estimated rates of voluntary leaves for sales personnel and administrative personnel for 0-15 years are taken into consideration as 21,34% and 10,54%, respectively (31 December 2022: 17,21% and 11,15%), and 0% for employees working for 16 years and over. Ceiling for retirement pay is revised semi-annually. Probability has been determined as 100% for employees whose insurance register began before December 1999 (69 personnel) and the provision has been calculated accordingly.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 16 – PROVISIONS

The details of the other short-term provisions as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Provisions for ongoing litigation (*)	21.205	12.417
Competition authority penalty provision (**)	28.600	--
Store provisions	11.310	5.107
Other	8.578	6.167
	69.693	23.691

(*) Provisions for ongoing litigation are comprised of consumer and employee reemployment lawsuits filed against the Company and provisions for compulsory employment.

(**) As a result of the claim that the procedural examination was made difficult put forward during the on-site examination conducted within the scope of the investigation opened in accordance with the decisions of the Competition Board dated 18 May 2022 and numbered 22-23/370-M and 22-23/371-M, the date of the Competition Authority on May 2, 2023 and E-70922894- 110.01.04-63722 as a result of the numbered decision, at the rate of 0.5% of the Company's annual gross revenues, which were formed at the end of the 2021 financial year and determined by the Competition Board, including, it has been decided to impose an administrative fine of TL 38.206 on the company. There will be a 25% discount if the penalty is paid in advance to the Company's affiliated tax office within 1 month after receipt of the notification of the reasoned decision. (The amount to be paid is TL 28.654). The Company has recognized the discounted penalty amount in the “other short-term provisions” account. Following the notification of the reasoned decision, the Company management is evaluating the application to the judicial way for the cancellation of the decision and the penalty by using its legal rights within the time limit following the notification of the reasoned decision. The Company has not made the payment due to the fact that the outcome of the reasoned decision has not yet been disclosed.

As of 30 September 2023 and 30 September 2022, the movement tables regarding the provisions for lawsuit and lease termination are as follows:

	1 January 2023	1 January- 30 September 2023 additional provisions	1 January- 30 September 2023 paid/reversal provisions	30 September 2023
Litigation provisions	12.417	8.898	(110)	21.205
<i>Claim for damages</i>	1.061	--	(89)	972
<i>Reemployment lawsuit</i>	9.942	8.173	--	18.115
<i>Consumer lawsuits</i>	1.330	725	--	2.055
<i>Rental litigation provisions</i>	84	--	(21)	63
	12.417	8.898	(110)	21.205
	1 January 2022	1 January- 30 September 2022 additional provisions	1 January- 30 September 2022 paid/reversal provisions	30 September 2022
Rent terminations provisions	--	5.881	--	5.881
Litigation provisions	9.152	3.696	(2.488)	10.360
<i>Reemployment lawsuit</i>	5.601	3.432	--	9.033
<i>Consumer lawsuits</i>	990	264	--	1.254
<i>Rental litigation provisions</i>	2.561	--	(2.488)	73
	9.152	9.577	(2.488)	16.241

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 17 – COMMITMENTS

Collateral, pledge, mortgage position

Collaterals, pledges and mortgages (“CPM”) given by the Company as at 30 September 2023 and 31 December 2022 are as follows:

CPMWs given by the Company	30 September 2023			
	TL equivalents	USD	Euro	TL
A. Total amount of CPMW given on behalf of own legal personality	3.006.498	11.670	3.803	2.576.625
- Collaterals	2.707.934	2.098	2.756	2.570.493
- Pledges	--	--	--	--
- Mortgages	6.132	--	--	6.132
- Letter of credit	292.432	9.572	1.047	--
- Warrant	--	--	--	--
B. Total amount of CPMW given in behalf of fully consolidated companies	--	--	--	--
C. Total amount of CPMW given for continuation of its economic activities on behalf of third parties	--	--	--	--
D. Total amount of other CPMW	3.006.498	11.670	3.803	2.576.625

CPMWs given by the Company	31 December 2022			
	TL equivalents	USD	Euro	TL
A. Total amount of CPMW given on behalf of own legal personality	1.518.862	8.738	6.273	1.230.420
- Collaterals	1.305.352	1.344	2.871	1.222.988
- Pledges	--	--	--	--
- Mortgages	7.432	--	--	7.432
- Letter of credit	206.078	7.394	3.402	--
- Warrant	--	--	--	--
B. Total amount of CPMW given in behalf of fully consolidated companies	--	--	--	--
C. Total amount of CPMW given for continuation of its economic activities on behalf of third parties	--	--	--	--
D. Total amount of other CPMW	1.518.862	8.738	6.273	1.230.420

The ratio of other CPM given on behalf of third parties except for the CPM given on behalf of the Company’s own legal personality to total equity is 0% as at 30 September 2023 (31 December 2022: 0%).

As at 30 September 2023 and 31 December 2022, the Company is contingently liable in respect of bank letter of guarantees obtained from banks mainly given to lessors in accordance with the lease agreements, enforcement office related to ongoing lawsuits and custom related to import transactions.

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH)
 TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 18 – OTHER CURRENT ASSETS AND LIABILITIES

The details of the other current assets as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
<i>Other current assets</i>		
Deferred VAT	176.546	34.388
Advances given	36.364	6.676
Personnel advances	425	419
Other current assets	9.487	5.564
	222.822	47.047

The details of the other current liabilities as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
<i>Other current liabilities</i>		
Other expense accruals	2.030	1.254
Other liabilities and obligations	6.270	3.001
	8.300	4.255

NOTE 19 – REVENUE

The details of revenue for nine-month periods ended 30 September 2023 and 2022 are as follows:

<i>Revenue (net)</i>	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Retail sales	21.052.897	8.805.439	9.063.783	3.853.149
E-commerce sales	2.469.511	1.030.026	1.013.465	397.371
Dealer sales	1.338.787	573.468	711.290	288.834
	24.861.195	10.408.933	10.788.538	4.539.354

<i>Cost of revenue</i>	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Cost of trading goods sold	(20.547.241)	(8.541.497)	(8.864.839)	(3.743.725)
Installation and warranty expenses	(90.081)	(39.530)	(41.041)	(17.935)
	(20.637.322)	(8.581.027)	(8.905.880)	(3.761.660)

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 20 – SELLING AND MARKETING AND ADMINISTRATIVE EXPENSES

The details of selling and marketing expenses for nine-month periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Personnel expenses	(774.864)	(316.411)	(342.308)	(140.964)
Rent expenses	(421.851)	(174.354)	(168.172)	(77.611)
Advertising and promotion expenses	(274.771)	(119.587)	(119.965)	(38.662)
Depreciation and amortisation expenses	(231.780)	(88.485)	(124.017)	(45.165)
Transportation expenses	(173.134)	(84.896)	(55.816)	(24.665)
Energy, fuel, water expenses	(77.716)	(29.833)	(44.867)	(21.597)
Maintenance expenses	(30.238)	(11.095)	(13.367)	(5.804)
Consultancy expenses	(23.769)	(7.870)	(37.875)	(16.110)
Travel and accommodation expenses	(6.833)	(3.468)	(2.345)	(1.172)
Communication expenses	(1.605)	(492)	(1.037)	(399)
Other expenses	(107.217)	(39.207)	(51.511)	(19.587)
	(2.123.778)	(875.698)	(961.280)	(391.736)

The details of administrative expenses for nine-month periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Personnel expenses	(132.114)	(55.329)	(61.571)	(26.898)
IT expenses	(54.213)	(19.845)	(26.340)	(8.557)
Depreciation and amortisation expenses	(24.887)	(9.686)	(15.827)	(5.607)
Consultancy expenses	(34.089)	(15.338)	(12.873)	(5.266)
Rent expenses	(2.862)	(1.657)	(3.192)	(1.238)
Maintenance expenses	(2.378)	(663)	(786)	(256)
Travel expenses	(2.314)	(1.149)	(1.361)	(706)
Energy, fuel, water expenses	(196)	(76)	(104)	(39)
Other expenses	(11.116)	(4.041)	(6.378)	(2.048)
	(264.169)	(107.784)	(128.432)	(50.615)

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 21 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for nine-month periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Foreign exchange gains	396.226	244.889	65.527	16.939
Interest income	83.142	33.212	25.524	12.379
Income from personnel	2.388	918	1.449	570
Gift cards	959	708	423	272
Other income	10.738	3.306	6.881	2.455
	493.453	283.033	99.804	32.615

The details of other expense from operating activities for nine-month periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Foreign exchange losses	(510.228)	(268.336)	(75.805)	(29.145)
Interest expenses on trade transactions	(422.419)	(166.068)	(186.424)	(72.516)
Litigation expenses	(13.232)	(6.126)	(4.710)	(1.153)
Impairment of fixed asset	(5.317)	(5.153)	(880)	63
Other expenses and losses	(48.432)	(4.523)	(11.351)	(7.958)
	(999.628)	(450.206)	(279.170)	(110.709)

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 22 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for nine-month periods ended 30 September 2023 and 2022 are as follows:

Income from investment activities

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Interest income on time deposits	120.682	62.233	30.947	15.943
Gain from sale of tangible and intangible assets	--	--	624	62
	120.682	62.233	31.571	16.005

The details of expense from investing activities for nine-month periods ended 30 September 2023 and 2022 are as follows:

Expenses from investment activities

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Loss from sale of tangible and intangible assets	--	--	(680)	(87)
	--	--	(680)	(87)

NOTE 23 – FINANCE COSTS AND INCOME

The details of finance costs for nine-month periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Credit card commission and discount expenses	(659.728)	(330.357)	(254.411)	(103.922)
Interest expense due lease liabilities (Note 6)	(87.471)	(31.588)	(44.302)	(19.039)
Interest and commission expenses	(67.300)	(27.250)	(21.737)	(8.824)
Guarantee letters commission expenses	(12.180)	(5.363)	(5.152)	(2.026)
Foreign exchange expenses	(6.728)	(4.748)	(2.427)	--
Other finance costs	(1.052)	(471)	(963)	(219)
	(834.459)	(399.777)	(328.992)	(134.030)

The details of finance income for nine-month periods ended 30 September 2023 and 2022 are as follows:

	1 January – 30 September 2023	1 July – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2022
Foreign exchange income	95.742	22.845	62.121	30.765
	95.742	22.845	62.121	30.765

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk

As the Company primarily purchases from domestic vendors in TL, the Company is exposed to limited foreign exchange risk.

The risk is monitored by the Board of Directors in regular meetings. The idle cash is invested in foreign currency in order to minimize the foreign exchange risk resulted from balance sheet items. The Company also manages the foreign currency risk by limited use of forward contracts, which is one of derivative instruments, if necessary.

Foreign Currency Position

	30 September 2023			
	TL equivalent	USD	EUR	Other
1. Trade receivable	4.830	154	20	1
2a. Monetary financial assets (including cash on hand and bank accounts)	408.380	12.977	1.829	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	15.728	244	311	--
4. Current assets (1+2+3)	428.938	13.375	2.160	1
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	1.013	37	--	--
8. Non-current assets (5+6+7)	1.013	37	--	--
9. Total assets (4+8)	429.951	13.412	2.160	1
10. Trade payables	(1.387.030)	(49.320)	(1.266)	--
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Non-monetary other liabilities	(29.598)	(1.079)	(2)	--
13. Current liabilities (10+11+12)	(1.416.628)	(50.399)	(1.268)	--
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--	--
18. Total liabilities (13+17)	(1.416.628)	(50.399)	(1.268)	--
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	(147.834)	(5.400)	--	--
19a. Off-balance sheet derivative assets	--	--	--	--
19b. Off-balance sheet derivative liabilities	147.834	5.400	--	--
20. Net position of foreign currency asset / (liability) (9+18+19)	(1.134.511)	(42.387)	892	1
21. Net position of monetary foreign currency asset / (liability) (IFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(973.819)	(36.189)	583	1
22. Total fair value of foreign currency hedge	(484)	(18)	--	--

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Foreign currency risk (Continued)

Foreign Currency Position	31 December 2022			
	TL equivalent	USD	EUR	Other
1. Trade receivable	2.044	88	20	--
2a. Monetary financial assets (including cash on hand and bank accounts)	130.743	5.505	1.395	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	653	30	4	--
4. Current assets (1+2+3)	133.440	5.623	1.419	--
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	692	37	--	--
8. Non-current assets (5+6+7)	692	37	--	--
9. Total assets (4+8)	134.132	5.660	1.419	--
10. Trade payables	(275.172)	(13.276)	(1.350)	(1)
11. Financial liabilities	--	--	--	--
12a. Other monetary liabilities	--	--	--	--
12b. Non-monetary other liabilities	(7.370)	(392)	(2)	--
13. Current liabilities (10+11+12)	(282.542)	(13.668)	(1.352)	(1)
14. Trade payables	--	--	--	--
15. Financial liabilities	--	--	--	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	--	--	--	--
18. Total liabilities (13+17)	(282.542)	(13.668)	(1.352)	(1)
19. Net asset/ (liability) position of off-statement derivative instruments (19a-19b)	(96.526)	(3.650)	(1.419)	--
19a. Off-balance sheet derivative assets	--	--	--	--
19b. Off-balance sheet derivative liabilities	96.526	3.650	1.419	--
20. Net position of foreign currency asset / (liability) (9+18+19)	(244.936)	(11.658)	(1.352)	(1)
21. Net position of monetary foreign currency asset / (liability) (TFRS 7.b23) (=1+2a+5+6a+10+11+12a+14+15+16a)	(142.385)	(7.683)	65	(1)
22. Total fair value of foreign currency hedge	(2.613)	(129)	(10)	--

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

TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Foreign currency risk (Continued)

The table below presents the Company's sensitivity to a 10% deviation in foreign exchange rates of USD, EUR and other foreign currencies. These amounts have indicated the effect of the USD, EUR and other foreign currencies against TL strengthened / weakened by 10%. During this analysis all other variables held constant.

Foreign Currency Sensitivity Table
30 September 2023

	Profit / (Loss)		Equity	
	Appreciation of foreign currencies	Depreciation of foreign currencies	Appreciation of foreign currencies	Depreciation of foreign currencies
In case 10% appreciation of USD against TL:				
1 - USD Dollars net assets/liabilities	(101.258)	101.258	(101.258)	101.258
2- Amount hedged for USD risk (-)	--	--	(14.783)	14.783
3- USD net effect (1 +2)	(101.258)	101.258	(116.042)	116.042
In case 10% appreciation of EUR against TL:				
4 - EUR net assets/liabilities	2.590	(2.590)	2.590	(2.590)
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	2.590	(2.590)	2.590	(2.590)
In case 10% appreciation of other currency against TL:				
7- Net assets/liabilities in other foreign currency	--	--	--	--
8- Amount hedged for other currency risk (-)	--	--	--	--
9- Other currency assets net effect (7+8)	--	--	--	--
TOTAL (3+6+9)	(98.668)	98.668	(113.452)	113.452

Foreign Currency Sensitivity Table
31 December 2022

	Profit / (Loss)		Equity	
	Appreciation of foreign currencies	Depreciation of foreign currencies	Appreciation of foreign currencies	Depreciation of foreign currencies
In case 10% appreciation of USD against TL:				
1 - USD Dollars net assets/liabilities	(14.974)	14.974	(14.974)	14.974
2- Amount hedged for USD risk (-)	--	--	(6.825)	6.825
3- USD net effect (1 +2)	(14.974)	14.974	(21.799)	21.799
In case 10% appreciation of EUR against TL:				
4 - EUR net assets/liabilities	134	(134)	134	(134)
5 - Amount hedged for EUR risk (-)	--	--	(2.828)	2.828
6- EUR net effect (4+5)	134	(134)	(2.694)	2.694
In case 10% appreciation of other currency against TL:				
7- Net assets/liabilities in other foreign currency	--	--	--	--
8- Amount hedged for other currency risk (-)	--	--	--	--
9- Other currency assets net effect (7+8)	--	--	--	--
TOTAL (3+6+9)	(14.840)	14.840	(24.493)	24.493

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
 ORIGINALLY ISSUED IN TURKISH)
 TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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

NOTE 25 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

As at 30 September 2023 and 31 December 2022, fair value and carrying amounts of assets and liabilities are shown in the table below:

	Financial assets at amortized cost	Financial assets and liabilities measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Carrying amount	Note
30 September 2023					
Financial Assets					
Cash and cash equivalents	2.183.156	--	--	2.183.156	5
Trade receivables (including due from related parties)	651.707	--	--	651.707	7
Other receivables (including due from related parties)	1.171	--	--	1.171	8
Derivatives	--	954	--	954	
Financial Liabilities					
Short-term bank loans	--	--	304.030	304.030	6
Lease liabilities	--	--	616.970	616.970	6
Trade payables (including due to related parties)	--	--	8.292.783	8.292.783	7
Other payables	--	--	11.342	11.342	8
Derivatives	--	1.438	--	1.438	
31 December 2022					
Financial Assets					
Cash and cash equivalents	1.604.179	--	--	1.604.179	5
Trade receivables (including due from related parties)	441.042	--	--	441.042	7
Other receivables (including due from related parties)	816	--	--	816	8
Financial Liabilities					
Short-term bank loans	--	--	202.260	202.260	6
Lease liabilities (including due from related parties)	--	--	417.699	417.699	6
Trade payables (including due from related parties)	--	--	4.560.737	4.560.737	7
Other payables	--	--	7.511	7.511	8
Derivatives	--	2.613	--	2.613	25

The Company management assumes that the carrying values of the financial assets and liabilities are close to their fair value because of their short-term nature.

**(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 26 - EVENTS AFTER THE REPORTING PERIOD

The notification issued by the Competition Authority Presidency on October 26, 2023, states that, in accordance with the decision of the Competition Board numbered 22-23/370-M dated May 18, 2022, an investigation was conducted by the Competition Board regarding companies engaged in technology retail activities, including the Company, to determine whether they violated Article 4 of the Competition Law numbered 4054 by engaging in the exchange of information related to sensitive competition data and/or indirectly exchanging information through a supplier. It is mentioned that the investigation has been completed, and no information or evidence supporting a violation of Article 4 of the Competition Law numbered 4054 by the Company has been found. Therefore, it is concluded that there is no basis for imposing an administrative fine.

Additionally, it is noted that the reasoned decision regarding the Competition Authority's decision dated 2 May 2023, and numbered E-70922894-110.01.04-63722, related to allegations of obstruction of the investigation into procedural matters during the on-site inspection conducted within the scope of the investigations initiated by the Competition Board's decisions numbered 22-23/370-M and 22-23/371-M dated May 18, 2022, has not yet been received by the Company (Note 16).