

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**

CONDENSED INTERIM FINANCIAL STATEMENTS  
AS OF 31 MARCH 2024 AND FOR THE THREE MONTH PERIOD  
THEN ENDED AND INDEPENDENT AUDITOR'S REVIEW REPORT

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

28 May 2024

*This report contains 2 pages of the review report  
and 44 pages of condensed interim financial  
statements and notes to the condensed interim  
financial statements.*

**(CONVENIENCE TRANSLATION OF THE REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH)**

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

**To the General Assembly of  
Teknosa İç ve Dış Ticaret A.Ş.  
İstanbul**

***Introduction***

We have reviewed the accompanying condensed statement of financial position of Teknosa İç ve Dış Ticaret A.Ş. (“the Company”) as at 31 March 2024, and the related condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the three-months interim period then ended. The Company management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

***Scope of Review***

We conducted our review in accordance with Independent Auditing Standard on Review Engagements (“ISRE”) 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 Independent Auditing Standards 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 “Interim Financial Reporting”.

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



Koray Öztürk  
Partner

İstanbul, 28 May 2024

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2024**  
**AND FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras ("TL") based on purchasing power as of 31 March 2024, unless otherwise stated.)

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**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2024 AND**  
**FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras (“TL”) based on purchasing power as of 31 March 2024, unless otherwise stated.)

<b>ASSETS</b>	<b>Notes</b>	<b>Current Period Reviewed 31 March 2024</b>	<b>Prior Period Audited 31 December 2023</b>
<b>Current Assets</b>		<b>13,272,848</b>	<b>14,298,637</b>
Cash and Cash Equivalents	5	1,800,036	3,151,396
Trade Receivables	7	942,891	1,071,782
<i>Trade Receivables from Related Parties</i>	4,7	5,494	18,318
<i>Trade Receivables from Third Parties</i>	7	937,397	1,053,464
Inventories	9	10,010,303	9,622,376
Prepaid Expenses	10	63,462	54,382
Other Current Assets	18	456,156	398,701
<b>Non-Current Assets</b>		<b>2,735,574</b>	<b>2,604,388</b>
Other Receivables	8	1,325	1,401
<i>Other Receivables from Third Parties</i>		1,325	1,401
Property, Plant and Equipment	13	895,994	865,454
Intangible Assets	14	285,719	283,060
Investment Properties	12	211,539	211,539
Right-of-Use Assets	11	1,318,405	1,204,251
Prepaid Expenses	10	22,592	38,683
<b>TOTAL ASSETS</b>		<b>16,008,422</b>	<b>16,903,025</b>

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

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2024 AND**  
**FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras ("TL") based on purchasing power as of 31 March 2024, unless otherwise stated.)

<b>LIABILITIES AND EQUITY</b>	<b>Notes</b>	<b>Current Period Reviewed 31 March 2024</b>	<b>Prior Period Audited 31 December 2023</b>
<b>Current Liabilities</b>		<b>12,500,634</b>	<b>13,283,462</b>
Short-term bank borrowings	6	1,925,566	624,066
-Short-term bank borrowings from related parties		797,742	59,697
-Short-term bank borrowings from third parties		1,127,824	564,369
Short-term portion of long-term lease liabilities		383,364	335,999
-Short-term portion of long-term lease liabilities to related parties	4	2,372	2,587
-Short-term portion of long-term lease liabilities to third parties		380,992	333,412
Trade Payables	7	9,315,085	11,406,936
Trade Payables to Related Parties	4	19,900	65,294
Trade Payables to Third Parties	7	9,295,185	11,341,642
Payables Related to Employee Benefits	15	280,058	180,689
Other Liabilities		13,856	14,314
Other Payables to Third Parties	8	13,856	14,314
Derivative Instruments		-	511
Deferred Income	10	375,643	390,495
Current Tax Liability		31,077	35,758
Short-Term Provisions		159,581	271,828
Related to Employee Benefits	15	79,451	154,610
Other Short-Term Provisions	16	80,130	117,218
Other Short-Term Liabilities	18	16,404	22,866
<b>Non-Current Liabilities</b>		<b>655,207</b>	<b>665,574</b>
Long-term lease liabilities	6	535,005	501,380
-Long-term lease liabilities to related parties	4	3,207	4,430
-Long-term lease liabilities to third parties		531,798	496,950
Deferred Income from Third Parties (Excluding Liabilities Arising from Customer Contracts)			
Long-Term Provisions		101,945	107,556
Long-term Provisions for Employee Benefits	15	101,945	107,556
Current Period Tax Liabilities			
Deferred Tax Liability		18,257	56,638
<b>EQUITY</b>		<b>2,852,581</b>	<b>2,953,989</b>
Paid-in capital		201,000	201,000
Capital adjustment differences		2,151,698	2,151,698
Restricted reserves appropriated from profit		45,285	45,285
Other reserves		12	12
Other comprehensive income or expenses not to be reclassified to profit or loss		(76,851)	(69,792)
-Loss on remeasurement of defined benefit plans		(107,913)	(100,854)
-Increase in revaluation of property, plant and equipment		31,062	31,062
Other comprehensive income or expenses to be reclassified to profit or loss		(232)	(602)
-Gains/(losses) on hedging		(232)	(602)
Share premiums		736,070	736,070
Retained Earnings/Losses		(109,682)	(969,787)
Net Profit/Loss for the Period		(94,719)	860,105
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>16,008,422</b>	<b>16,903,025</b>

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

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME AS OF 31 MARCH 2024 AND FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras ("TL") based on purchasing power as of 31 March 2024, unless otherwise stated.)

	Notes	Current Period Reviewed 1 January- 31 March 2024	Prior Period Audited 1 January- 31 March 2023
Revenue	19	14,614,070	11,418,472
Cost of Sales (-)	19	(12,968,742)	(10,151,466)
<b>GROSS PROFIT</b>		<b>1,645,328</b>	<b>1,267,006</b>
General Administrative Expenses (-)	20	(168,023)	(125,255)
Marketing Expenses (-)	20	(1,381,442)	(1,065,307)
Other Income from Operating Activities	21	247,986	94,760
Other Expenses from Operating Activities (-)	21	(1,004,870)	(265,374)
<b>OPERATING LOSS</b>		<b>(661,021)</b>	<b>(94,170)</b>
Income from Investing Activities	22	49,186	67,736
Expenses from Investing Activities (-)	22	(327)	-
Impairment (Losses) and Reversals of Impairment Losses Determined in Accordance with TFRS 9		(100)	1,118
<b>OPERATING LOSS BEFORE FINANCE EXPENSE</b>		<b>(612,262)</b>	<b>(25,316)</b>
Financing Income (+)	23	103,885	5,317
Finance Expenses (-)	23	(973,184)	(350,163)
Gains/(Losses) on Net Monetary Position		1,349,669	768,890
<b>LOSS/(PROFIT) FROM CONTINUING OPERATIONS</b>		<b>(131,892)</b>	<b>398,728</b>
<b>Tax Expense/Income from Continuing Operations</b>		37,173	(108,190)
Current Period Tax Income / Expense		801	(38,412)
Deferred Tax Income / Expense		36,372	(69,778)
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>(94,719)</b>	<b>290,538</b>
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE)</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>(7,059)</b>	<b>(12,499)</b>
Loss on remeasurement of defined benefit plans		(9,412)	(15,624)
Taxes related to other comprehensive expenses not to be reclassified to profit or loss		2,353	3,125
<b>Items to be reclassified to profit or loss</b>		<b>370</b>	<b>3,614</b>
Gains/(losses) on cash flow hedges		493	4,518
Taxes on other comprehensive income to be reclassified to profit or loss		(123)	(904)
<b>TOTAL OTHER COMPREHENSIVE EXPENSE/(INCOME)</b>		<b>(6,689)</b>	<b>(8,885)</b>
<b>TOTAL COMPREHENSIVE EXPENSE/(INCOME)</b>		<b>(101,408)</b>	<b>281,653</b>
<b>Earnings per share (for 1 lot of shares)</b>		(0.0047)	0.0145
<b>Diluted earnings per share [(for 1 lot of shares)]</b>		(0.0047)	0.0145

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

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY AS OF 31 MARCH 2024 AND FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras (“TL”) based on purchasing power as of 31 March 2024, unless otherwise stated.)

						Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income and Expenses that will be Reclassified to Profit or Loss	Retained Earnings			
	Paid-in Capital	Capital Adjustment Differences	Restricted Reserves Appropriated from Profit	Other Reserves	Share Premiums	Accumulated Remeasurement Losses of Defined Benefit Plans	Revaluation and Remeasurement Gains	Hedging Gain/Loss	Prior Years' Losses	Net Profit for the Period	Equity
<b>Balances as of 1 January 2023</b> <b>(Beginning of the Period)</b>	201,000	2,151,704	27,108	12	736,064	(74,848)	32,964	(3,128)	(1,553,231)	601,626	2,119,271
Transfers	-	-	-	-	-	-	-	-	601,626	(601,626)	-
Total Comprehensive Income / (Expense)	-	-	-	-	-	(12,499)	-	3,614	-	290,538	281,653
<b>Balances as of 31 March 2023</b> <b>(Period Ended)</b>	<b>201,000</b>	<b>2,151,704</b>	<b>27,108</b>	<b>12</b>	<b>736,064</b>	<b>(87,347)</b>	<b>32,964</b>	<b>486</b>	<b>(951,605)</b>	<b>290,538</b>	<b>2,400,924</b>
<b>Balances as of 1 January 2024</b> <b>(Beginning of the Period)</b>	201,000	2,151,698	45,285	12	736,070	(100,854)	31,062	(602)	(969,787)	860,105	2,953,989
Transfers	-	-	-	-	-	-	-	-	860,105	(860,105)	-
Total Comprehensive Income / (Expense)	-	-	-	-	-	(7,059)	-	370	-	(94,719)	(101,408)
<b>Balances as of 31 March 2024</b> <b>(Period Ended)</b>	<b>201,000</b>	<b>2,151,698</b>	<b>45,285</b>	<b>12</b>	<b>736,070</b>	<b>(107,913)</b>	<b>31,062</b>	<b>(232)</b>	<b>(109,682)</b>	<b>(94,719)</b>	<b>2,852,581</b>

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



**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**CONDENSED CASH FLOW STATEMENTS**  
**AS OF 31 MARCH 2024 AND FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras ("TL") based on purchasing power as of 31 March 2024, unless otherwise stated.)

		<b>Current Period</b>	<b>Prior Period</b>
		<i>Reviewed</i>	<i>Audited</i>
		<b>1 January-</b>	<b>1 January-</b>
		<b>31 March</b>	<b>31 March</b>
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Loss/(Profit) for the Period</b>		<b>(94,719)</b>	<b>290,538</b>
<b>Adjustments Related to Reconciliation of Net Loss of the Period:</b>			
Adjustments Related to Financial Expenses	23	869,299	344,846
Adjustments Related to Depreciation and Amortisation Expenses	20	262,602	206,078
Adjustments Related to Provision (Reversal) for Employee Benefits		(54,133)	(10,776)
Adjustments Related to Impairment (Reversal) of Receivables	7	100	1,118
Adjustments Related to Other Provisions (Reversals)		(21,743)	12,845
Adjustments Related to Losses (Gains) on Disposal of Non-Current Assets	22	(327)	-
Impairment / (reversal) of Property, Plant and Equipment and Intangible Assets	13	(373)	232
Adjustments for Impairment (Reversal) of Inventories	9	20,820	21,408
Adjustments Related to Interest Income	22	(49,186)	67,736
Adjustments Related to Tax (Income) Expense		(37,173)	108,190
Adjustments Related to Monetary (Gain)/Loss		243,509	295,265
		<b>1,138,674</b>	<b>1,337,480</b>
<b>Changes in Working Capital:</b>			
Decrease (Increase) in Trade Receivables from Third Parties		115,966	(54,805)
Decrease (Increase) in Trade Receivables from Related Parties	4	12,825	3
Adjustments Related to Decrease (Increase) in Inventories	9	(408,747)	(912,818)
Adjustments Related to Increase (Decrease) in Other Assets Related with Operations		(114,150)	(48,146)
Increase (Decrease) in Trade Payables to Third Parties	7	(2,046,457)	(834,582)
Increase (Decrease) in Trade Payables to Related Parties	4,7	(45,394)	53,239
Increase (Decrease) in Other Liabilities Related to Operations		77,597	125,316
Payments Made within the Scope of Provisions for Employee Benefits	15	(14,869)	(11,163)
Tax Paid		31,878	54,140
Payments for Other Provisions	16	-	(52)
<b>Cash Flows Generated from Operations</b>		<b>(1,252,676)</b>	<b>(291,388)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash Outflows from Purchase of Property, Plant and Equipment	13	(82,304)	(92,924)
Cash Outflows from Purchase of Intangible Assets	14	(34,393)	(21,466)
Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets		(2,391)	(26)
Interest Received	22	49,186	67,736
<b>Cash Used in Investing Activities</b>		<b>(69,903)</b>	<b>(46,680)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other Finance Costs Paid		(710,180)	(272,746)
Operating Lease Repayments	6	(144,291)	(183,796)
Cash Inflows from Borrowings	6	1,699,388	288,684
Loan Repayments	6	(527,819)	(268,062)
<b>Cash Generated from / (Used in) Financing Activities</b>		<b>317,098</b>	<b>(435,919)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(1,005,481)</b>	<b>(773,987)</b>
<b>Inflation Effect on Cash and Cash Equivalents</b>		<b>(412,552)</b>	<b>(656,196)</b>
Effect of Changes in Foreign Exchange Rates on Cash and Cash Equivalents Denominated in Foreign Currencies	24	66,671	2,994
<b>D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>3,151,396</b>	<b>3,041,406</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)</b>	5	<b>1,800,035</b>	<b>1,614,217</b>

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

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2024 AND FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras (“TL”) based on purchasing power as of 31 March 2024, unless otherwise stated.)

**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 31 March 2024, number of personnel of the Company is 2,903 (31 December 2023: 2,868). The Company is registered in Türkiye 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 104,766 square meters with 179 stores retail space as at 31 March 2024 (31 December 2023: 105,125 square meters with 181 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 FINANCIAL STATEMENTS**

**2.1 Basis of presentation**

**(i) Statement of compliance with Turkish Financial Reporting Standards (“TFRS”)**

The accompanying interim condensed financial statements have been prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”), which was put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”), in compliance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (the Communiqué) announced by the Capital Market Boards (“CMB”) on 13 June 2013 which is published on Official Gazette numbered 28676. TFRS includes standards and interpretations published by POA under the names of Turkish Accounting Standards (“TMS”), Turkish Financial Reporting Standards, TMS Interpretations and TFRS Interpretations.

The condensed interim financial statements are presented in accordance with the formats specified in the "Announcement on TRFS Taxonomy" published by POA on 15 April 2019 and the Financial Statement Examples and User Guide published by CMB. In addition, the financial statements are presented in accordance with the "TFRS Taxonomy" published by POA on 4 October 2022 and the formats specified in the Financial Statement Examples and User Guide published by CMB, based on the CMB's financial statement and footnote formats. The financial statements are prepared on the historical cost basis except for the revaluation of buildings. The determination of historical cost is generally based on the fair value of the consideration paid for the assets.

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

*Approval of interim condensed financial statements:*

The interim financial statements are approved by the Company’s Board of Directors on 28 May 2024. 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.

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2024 AND FOR THE PERIOD THEN ENDED**

(Amounts are expressed in thousand Turkish Liras ("TL") based on purchasing power as of 31 March 2024, unless otherwise stated.)

**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**

**2.1 Basis of presentation (cont'd)**

**(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 on the basis of historical cost, in order to make the right presentation in accordance with TFRS.

**(iii) Functional currency and reporting 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**

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

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

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

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

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

In this framework, while preparing the consolidated financial statements dated 31 March 2024, inflation adjustment has been made in accordance with TAS 29.

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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.1 Basis of presentation (cont’d)**

*(iv) Preparation of financial statements in hyperinflationary periods (cont’d)*

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

<u>Date</u>	<u>Index</u>	<u>Adjustment coefficient</u>
31 March 2024	2,139.47	1.00000
31 December 2023	1,859.38	1.50636
31 March 2023	1,269.75	1.68495

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

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

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

Restatement of the Statement of Financial Position

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

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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.1 Basis of presentation (cont’d)**

*(iv) Preparation of financial statements in hyperinflationary periods (cont’d)*

Restatement of the Statement of Financial Position (cont’d)

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

Restatement of the Statement of Profit or Loss

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

Cost of inventories sold has been restated using the restated inventory balance.

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

Restatement of Statement of Cash Flows

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

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate. When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.1 Basis of presentation (cont’d)**

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

The financial statements of the Company have been prepared comparatively with the prior period in order to evaluate financial position and performance trends. Comparative information are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

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 2023.

**2.3 Changes in accounting estimates and errors**

If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively and prior period financial statements are restated.

The assumptions and significant accounting estimates used in the preparation of the interim condensed financial statements as of 31 March 2024 have not changed compared to those used in the preparation of the financial statements as of the year ended 31 December 2023.

**2.4 New and Amended Turkish Financial Reporting Standards**

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4 New and Amended Turkish Financial Reporting Standards (cont’d)**

a) Amendments that are mandatorily effective from 2024

***Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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

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

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

Amendments are effective with the first application of TFRS 17.

***Amendments to TAS 12 International Tax Reform — Pillar Two Model Rules***

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023.

b) New and revised TFRS’s in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

**TEKNOSA İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ**  
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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4 New and Amended Turkish Financial Reporting Standards (cont’d)**

**b) New and revised TFRS’s in issue but not yet effective (cont’d)**

***TFRS 17 Insurance Contracts***

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

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

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

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

Amendments are effective with the first application of TFRS 17.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

***Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9***

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

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

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

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

***Amendments to TFRS 16 Lease Liability in a Sale and Leaseback***

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

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

***Amendments to TAS 1 Non-current Liabilities with Covenants***

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

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

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.



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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.4 New and Amended Turkish Financial Reporting Standards (cont’d)**

**b) New and revised TFRS’s in issue but not yet effective (cont’d)**

***Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements***

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

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

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

***TSRS 2 Climate-related Disclosures***

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

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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.5 Use of accounting estimates and assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates are accounted for prospectively.

Information on estimates and assumptions that have a significant effect on the amounts recognized in the condensed interim financial statements is disclosed below:

*Useful lives of property, plant and equipment and intangible assets*

In accordance with the accounting policies, property, plant and equipment and intangible assets other than land and buildings are shown at their net value after deducting accumulated depreciation and impairment, if any, from their acquisition cost. Depreciation is allocated using the straight-line method based on the useful lives of tangible assets. Useful lives are based on management's best estimates and are reviewed at each balance sheet date and adjusted if necessary.

*Impairment of property, plant and equipment 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, except for outlet stores. 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 recognizes allowance for impairment for the property, plant and equipment 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 31 March 2024, the Company has recorded a net impairment of TL 373 for property, plant and equipment and no impairment for intangible assets (31 March 2023: TL 232 for property, plant and equipment) (Note 13 and 14).

*Inventory impairment*

In accordance with the accounting policy, inventories are stated at the net realizable 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. In this context, the Company has recognized net impairment provision amounting to TL 84,142 as of 31 March 2024 (31 December 2023: TL 73,696) (Note 9).

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**NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)**

**2.5 Use of accounting estimates and assumptions (cont’d)**

*Deferred tax assets*

The Company recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TFRS and its tax base of statutory financial statements. The Company has deferred tax assets arising from deductible temporary differences. The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections, losses incurred in current periods, expiration dates of unused losses and other tax assets, and tax planning strategies that can be used when necessary, were taken into consideration.

*Accounting of gift checks*

The Company recognizes income from the gift checks by estimating the portion which will not be used by the customers based on the historic data. As at 31 March 2024, the amount offset from the deferred revenue from the gift checks recognized in the financial statement is amounting to TL 73,504 (31 December 2023: TL 85,219) (Note 10).

**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:

	<b>1 January - 31 March 2024</b>		
	<b>Retailing and E-commerce</b>	<b>Dealer Group</b>	<b>Total</b>
<b>Total segment income</b>	<b>14,044,671</b>	<b>569,400</b>	<b>14,614,070</b>
<b>Adjusted EBITDA</b>	<b>434,555</b>	<b>(62,289)</b>	<b>372,266</b>

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**NOTE 3 – SEGMENT REPORTING (cont’d)**

	<b>1 January - 31 March 2023</b>		
	<b>Retailing and E-commerce</b>	<b>Dealer Group</b>	<b>Total</b>
<b>Total segment income</b>	<b>10,863,716</b>	<b>554,756</b>	<b>11,418,472</b>
<b>Adjusted EBITDA</b>	<b>289,284</b>	<b>3,103</b>	<b>292,387</b>
<b>EBITDA attributable to reportable segments</b>		<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
		<b>372,266</b>	<b>292,387</b>
Depreciation and amortization		(262,602)	(206,078)
Finance income/(expense), net		(869,299)	(344,846)
Income/(expenses) from investing activities, net		48,859	67,736
Impairment gains / losses and reversal of impairment losses determined in accordance with TFRS 9		(100)	1,118
Other operating income/(expense), net		(756,884)	(170,614)
Provision for employment termination benefits		(13,801)	(9,865)
Monetary Loss Gain		1,349,669	768,890
<b>Profit before tax</b>		<b>(131,892)</b>	<b>398,728</b>



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**NOTE 4 – RELATED PARTY DISCLOSURES (cont’d)**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Deposits at Akbank T.A.Ş.		
Time Deposit	655,843	-
Demand deposits	342,071	323,937
	<b>997,914</b>	<b>323,937</b>

	<b>31 March 2024</b>	<b>31 December 2023</b>
Other cash and cash equivalents at Akbank T.A.Ş.		
Other cash and cash equivalents	-	879,771
	<b>-</b>	<b>879,771</b>

	<b>31 March 2024</b>	<b>31 December 2023</b>
Credit card slip receivables at Akbank T.A.Ş.		
Credit card slip receivables	33,945	62,907
	<b>33,945</b>	<b>62,907</b>

	<b>31 March 2024</b>	<b>31 December 2023</b>
Short-term bank borrowings at Akbank T.A.Ş.		
Short-term bank borrowings	797,742	59,697
	<b>797,742</b>	<b>59,697</b>

The details of short portion of long-term lease liabilities to related parties as at 31 March 2024 and 31 December 2023 are as follows:

	<b>31 March 2024</b>	<b>31 December 2023</b>
<b>Short and long-term lease liabilities</b>		
<i>Short-term portion of long-term lease liabilities to related parties</i>		
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	2,372	2,587
<i>Long-term lease obligations to related parties</i>		
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	3,207	4,430
	<b>5,579</b>	<b>7,017</b>

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**NOTE 4 – RELATED PARTY DISCLOSURES (cont’d)**

<b>Transactions with related parties</b>	<b>1 January - 31 March 2024</b>		
	<b>Goods Sales</b>	<b>Rent Expenses</b>	<b>Other Expenses</b>
Akbank T.A.Ş.	23,586	-	-
Agesa Hayat ve Emeklilik A.Ş. and Subsidiaries	1,006	-	-
Aksigorta A.Ş.	839	-	(8,742)
Akçansa Çimento San. ve Tic. A.Ş.	727	-	-
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	568	(2,815)	(391)
Çimsa Çimento San. ve Tic.A.Ş.	220	-	-
Hacı Ömer Sabancı Holding A.Ş.	123	-	(127)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	122	-	-
Sabancı Dijital Teknoloji Hizmetleri A.Ş. (*)	38	-	(26,982)
Ak Finansal Kiralama A.Ş.	37	-	-
Kordsa Teknik Tekstil A.Ş.	36	-	-
Enerjisa Enerji A.Ş. and Subsidiaries	34	-	(4,786)
	<b>27,336</b>	<b>(2,815)</b>	<b>(41,027)</b>

(\*) Our Company receives internet security service, data security application, maintenance and repair service, server purchase, software development, hardware and license renewal, project and consultancy services from SabancıDX A.Ş.

<b>Transactions with related parties</b>	<b>1 January - 31 March 2023</b>		
	<b>Goods Sales</b>	<b>Rent Expenses</b>	<b>Other Expenses</b>
Akbank T.A.Ş.	73,130	-	-
Carrefoursa Carrefour Sabancı Tic. Merkezi A.Ş.	23,023	(1,639)	(2,413)
Kordsa Teknik Tekstil A.Ş.	680	-	-
Çimsa Çimento San. ve Tic.A.Ş.	616	-	-
Hacı Ömer Sabancı Holding A.Ş.	584	-	(167)
Agesa Hayat ve Emeklilik A.Ş. and Subsidiaries	589	-	-
Akçansa Çimento San. ve Tic. A.Ş.	396	-	-
Aksigorta A.Ş.	241	-	(6,829)
Brisa Bridgestone Sabancı Las. San. ve Tic. A.Ş.	68	-	-
Sabancı Dijital Teknoloji Hizmetleri A.Ş.	42	-	(83,035)
Enerjisa Enerji A.Ş. ve Bağlı Ortaklıkları	-	-	(8,916)
Aköde Elektronik Para ve Ödeme Hizmetleri A.Ş.	-	-	(5)
	<b>99,369</b>	<b>(1,639)</b>	<b>(101,365)</b>

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**NOTE 4 – RELATED PARTY DISCLOSURES (cont’d)**

**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 31 March 2024 and 2023 are as follows:

	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Salaries and other short-term benefits	27,112	26,998
	<b>27,112</b>	<b>26,998</b>

**NOTE 5 – CASH AND CASH EQUIVALENTS**

The details of cash and cash equivalents as at 31 March 2024 and 31 December 2023 are as follows:

	<b>31 March 2024</b>	<b>31 December 2023</b>
Cash	7,523	14,955
Cash at banks	1,556,576	1,863,168
<i>Demand deposits</i>	717,568	1,326,852
Time deposits	839,008	536,316
Credit card slip receivables	235,937	393,502
Other cash and cash equivalents (*)	-	879,771
	<b>1,800,036</b>	<b>3,151,396</b>

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

As of 31 March 2024, the details of the Company's time deposits, maturity dates and interest rates are as follows:

<b>Currency</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>TL Deposit Provision</b>
USD	29 April 2024	2.25%	161,427
USD	9 April 2024	4.00%	406,104
USD	29 April 2024	4.00%	249,740
		<b>Interest accrual</b>	21,737
			<b>839,008</b>



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**NOTE 5 – CASH AND CASH EQUIVALENTS (cont'd)**

As of 31 December 2023, the details of the Company's time deposits, maturity dates and interest rates are as follows:

<b>Currency</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>TL Deposit Provision</b>
TL	1 January 2024	36.00%	9,264
USD	2 January 2024	6.00%	169,362
USD	2 January 2024	3.75%	16,936
USD	5 January 2024	5.00%	169,362
USD	12 January 2024	4.50%	169,362
		<b>Interest accrual</b>	<b>2,030</b>
			<b>536,316</b>

(\*) Other liquid assets consist of the short-term free liquid fund exempt from corporate tax used by the Company from Akbank T.A.Ş. As of 31 March 2024, there is no liquid fund.

As of 31 December 2023, other liquid assets consist of short term free liquid fund from Akbank T.A.Ş. The maturity of the fund is 2 January 2024 and the interest rate is 41.51%. As of 31 December 2023, interest accrual amounting to TL 2,992 has been recognized).

The details of credit risk, foreign currency risk and impairment of the Company's cash and cash equivalents are disclosed in Note 24.

**NOTE 6 – BORROWINGS**

As of 31 March 2024 and 31 December 2023, the details of the Company's short-term bank loans are as follows:

	<b>31 March 2024</b>	<b>31 December 2023</b>
Short-term bank borrowings from related parties	797,742	59,697
Short-term bank borrowings from third parties	1,127,824	564,369
	<b>1,925,566</b>	<b>624,066</b>

As of 31 March 2024 and 31 December 2023, the terms and conditions for outstanding loans are as follows:

<b>Currency</b>	<b>Weighted average effective interest rate</b>	<b>31 March 2024</b>	
		<b>Maturity Date</b>	<b>Short-term</b>
TL	63,00%	1.04.2024	24,126
TL	55,39%	15.04.2024	154,385
TL	50,93%	30.04.2024	797,742
TL	49,88%	20.06.2024	400,914
TL	48,67%	10.07.2024	144,059
TL	51,24%	14.08.2024	266,013
TL	51,24%	14.08.2024	138,327
<b>Short-Term Borrowings</b>			<b>1,925,566</b>
<b>Currency</b>	<b>Weighted average effective interest rate</b>	<b>31 December 2023</b>	
		<b>Maturity Date</b>	<b>Short-term</b>
TL	45,32%	12.01.2024	59,412
TL	34,74%	23.02.2024	59,697
TL	26,89%	5.03.2024	94,426
TL	49,88%	20.06.2024	410,531
<b>Short-Term Borrowings</b>			<b>624,066</b>

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**NOTE 6 – BORROWINGS (cont’d)**

The reconciliation of the Company's liabilities arising from bank loans for the accounting periods ending on 31 March 2024 and 2023 is as follows:

<b>Movement of bank loans</b>	<b>2024</b>	<b>2023</b>
<b>Loans as of 1 January</b>	624,072	340,798
Loan principal inflows during the period	1,699,388	288,684
Interest and principal payments during the period	(527,819)	(268,062)
Interest expense for the period (including accruals) (Note 23)	173,713	29,837
Inflation Effect	(43,788)	(7,189)
<b>Bank borrowings as at 31 March</b>	<b>1,925,566</b>	<b>384,068</b>

The details of lease liabilities as at 31 March 2024 and 31 December 2023 are as follows:

	<b>Present value of minimum lease payments</b>	
	<b>31 March</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Payables from lease transactions		
Within one year	405,104	395,067
Less: deferred financial expenses	(21,740)	(59,068)
Current value of the lease liability	<b>383,364</b>	<b>335,999</b>
Two years and over	565,345	589,522
Less: deferred financial expenses	(30,399)	(88,142)
Current value of the lease liability	<b>535,006</b>	<b>501,380</b>

The Company’s lease liabilities represent the present value of the future payables of the buildings and machinery and equipment 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:

<b>Movement of lease liabilities</b>	<b>2024</b>	<b>2023</b>
<b>Lease liabilities as of 1 January</b>	<b>727,757</b>	<b>791,931</b>
Increase in lease liability during the period	299,351	271,320
Interest and principal payments during the period	(144,291)	(183,796)
Interest expense for the period (including accruals) (Note 23)	52,078	45,258
Inflation Effect	(16,526)	(46,932)
<b>Lease liabilities as of 31 March</b>	<b>918,369</b>	<b>877,781</b>

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**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

The details of trade receivables and trade payables as at 31 March 2024 and 31 December 2023 are as follows:

	<b>31 March</b>	<b>31 December</b>
<b><u>Short term trade receivables</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Trade receivables	719,842	812,477
Notes receivable	219,037	249,604
Trade receivables from related parties (Note 4)	5,494	18,319
Provision for doubtful trade receivables (-)	(1,482)	(8,618)
	<b><u>942,891</u></b>	<b><u>1,071,782</u></b>

The average maturity of the Company's trade receivables is 1-7 days for retail receivables and 66 days for dealer groups. (31 December 2023: For retail: 1-7 days, 55 days for dealer receivables). As of 31 March 2024, the Company does not apply overdue interest on trade receivables. (31 December 2023: None).

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

	<b>1 January-</b>	<b>1 January-</b>
<b><u>Movement of expected loss provision</u></b>	<b><u>31 March</u></b>	<b><u>31 March</u></b>
	<b><u>2024</u></b>	<b><u>2023</u></b>
Opening balance	8,617	13,909
Period expense	155	-
Provision reversed	(55)	1,118
Inflation effect	(7,235)	(2,683)
<b>Closing balance</b>	<b><u>1,482</u></b>	<b><u>12,344</u></b>

As of 31 March 2024 and 31 December 2023, the Company obtained the collaterals listed below for the checks, notes and trade receivables.

	<b>31 March</b>	<b>31 December</b>
<b><u>Collaterals received for trade receivables that are not due:</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Collaterals received	775,556	701,000
Mortgages	5,942	6,837
	<b><u>781,498</u></b>	<b><u>707,837</u></b>

The fair value of collateral and mortgages that the Company has the right to sell or re-guarantee or pledge before the collateral owner defaults is TL 781,498 (31 December 2023: TL 707,837).

As of the reporting date, the Company does not have any collaterals or mortgages sold or pledged.

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

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**NOTE 7 - TRADE RECEIVABLES AND PAYABLES (cont'd)**

*Short term trade payables:*

<b><u>Short-term trade payables</u></b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Trade payables	9,006,211	11,305,356
Trade payables to related parties (Note 4)	19,900	65,294
Expense accruals	288,974	36,286
	<b><u>9,315,085</u></b>	<b><u>11,406,936</u></b>

As of 31 March 2024, the Company offset income accruals from its suppliers amounting to TL 1,278,710 with trade payables (31 December 2023: TL 562,315). Average payment term of trade payables is 79 days (31 December 2023: 78 days). The Company does not have payments on a monthly basis for late interest as of 31 March 2024 (31 December 2023: None).

As of 31 March 2024, the amount of letters of guarantee received from banks and given to suppliers is TL 4,364,450 (31 December 2023: 4,725,328).

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 of 31 March 2024 and 31 December 2023 are as follows:

<b><u>Other Receivables</u></b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Deposits and guarantees given	1,325	1,402
	<b><u>1,325</u></b>	<b><u>1,402</u></b>

  

<b><u>Other Payables</u></b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Deposits and guarantees received	13,856	14,314
	<b><u>13,856</u></b>	<b><u>14,314</u></b>

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**NOTE 9 - INVENTORIES**

The details of the inventories as of 31 March 2024 and 31 December 2023 are as follows:

	<b>31 March</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Trade goods	9,643,759	8,993,751
Goods in transit	450,686	702,321
Provision for impairment of inventories (-)	(84,142)	(73,696)
	<b>10,010,303</b>	<b>9,622,376</b>

As of 31 March 2024, total cost of trade goods recognized in the statement of profit or loss is TL 12,903,241 (31 March 2023: TL 10,123,994) (Note 19). As of 31 March 2024 and 2023, provision for impairment on inventories has been recognized in cost of goods sold (Note 19).

The movements of allowance for inventories for the periods ended at 31 March 2024 and 31 March 2023 are as below:

	<b>1 January-</b>	<b>1 January-</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2024</b>	<b>2023</b>
<b><u>Movement of provision for impairment on inventories</u></b>		
Opening balance	(73,696)	(43,726)
Charge for the period	(20,820)	(21,408)
Inflation effect	10,374	(8,976)
<b>Closing balance</b>	<b>(84,142)</b>	<b>(74,110)</b>

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**NOTE 10 – PREPAID EXPENSES AND DEFERRED INCOME**

The details of prepaid expenses as of 31 March 2024 and 31 December 2023 are as follows:

<b><u>Short-Term Prepaid Expenses</u></b>	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Prepaid expenses	50,061	33,129
Order advances for inventory purchases	13,401	21,253
	<b><u>63,462</u></b>	<b><u>54,382</u></b>

The details of the deferred revenue as of 31 March 2024 and 31 December 2023 are as follows:

<b><u>Short-Term Deferred Income</u></b>	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Order advances received	299,943	303,402
Income from gift card sales	73,504	85,219
Other	2,196	1,874
	<b><u>375,643</u></b>	<b><u>390,495</u></b>

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**NOTE 11 – RIGHT OF USE ASSETS**

The Company, as a lessee, has acquired the lease rights representing the lease rights representing the right to use the underlying asset and the lease payments to the financial statements.

As of 31 March 2024 and 2023, the movement table of right-of-use assets is as follows:

<b>Right-of-use assets</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost</b>			
1 January 2024	3,700,537	173,993	3,874,530
Additions	295,429	3,922	299,351
Disposals	(5,032)	(406)	(5,438)
<b>31 March 2024</b>	<b><u>3,990,934</u></b>	<b><u>177,509</u></b>	<b><u>4,168,443</u></b>
<b>Accumulated Depreciation</b>			
1 January 2024	(2,609,765)	(60,507)	(2,670,272)
Charge for the period	(169,742)	(11,708)	(181,450)
Disposals	1,550	134	1,684
<b>31 March 2024</b>	<b><u>(2,777,957)</u></b>	<b><u>(72,081)</u></b>	<b><u>(2,850,038)</u></b>
<b>Net Book Value</b>	<b><u>1,212,977</u></b>	<b><u>105,428</u></b>	<b><u>1,318,405</u></b>
<b>Right-of-use assets</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost</b>			
1 January 2023	3,042,861	55,152	3,098,013
Additions	271,100	220	271,320
Disposals	(15,164)	-	(15,164)
<b>31 March 2023</b>	<b><u>3,298,797</u></b>	<b><u>55,372</u></b>	<b><u>3,354,169</u></b>
<b>Accumulated Depreciation</b>			
1 January 2023	(2,022,544)	(40,578)	(2,063,122)
Charge for the period	(140,868)	(4,315)	(145,183)
Disposals	10,956	-	10,956
<b>31 March 2023</b>	<b><u>(2,152,456)</u></b>	<b><u>(44,893)</u></b>	<b><u>(2,197,349)</u></b>
<b>Net Book Value</b>	<b><u>1,146,341</u></b>	<b><u>10,479</u></b>	<b><u>1,156,820</u></b>

The depreciation expense for the three-month interim accounting period ending on 31 March 2024 is TL 181,450 (31 March 2023: TL 145,183). TL 178,870 (31 March 2023: TL 143,293) of the depreciation expense is included in marketing expenses and TL 2,580 (31 March 2023: TL 1,890) is included in general administrative expenses.

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**NOTE 12 – INVESTMENT PROPERTY**

The net book value of the investment properties of the company is TL 211,539 as of 31 March 2024 (31 December 2023: TL 211,539).

The Company generates rental income by TL 2,038 (2023: TL 1,356) from its investment property, which is leased by an operating lease agreement. Direct operating costs arising from the investment property is amounting to TL 698 (2023: TL 643). Operating expenses which are not related to the Teknosa store are distributed to lessees.

As of 31 December 2023, the fair value of the Company's investment properties and the building included in property, plant and equipment has been determined by Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company, in its valuation report dated 18 March 2024.

The aforementioned firm is authorized by the CMB and provides real estate valuation services in accordance with the capital markets legislation and has sufficient experience and qualifications in the fair value measurement of the properties in the relevant regions. The fair value of the owned building was calculated using the "Income Approach" and "Direct Capitalization Method" and the final value was reached by harmonizing the results obtained.

Fair value of the related building is level 2.

As of 31 March 2024 and 31 December 2023, there is no mortgage on investment properties.



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**NOTE 13 - PROPERTY, PLANT AND EQUIPMENT**

The movement of property, plant and equipment and related accumulated depreciation for the period ended 31 March 2024 are as follows:

<u>Cost Value</u>	<u>Buildings</u>	<u>Plant, machinery and equipment</u>	<u>Vehicles</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
Opening balance as of 1 January 2024	110,691	1,109	1,309	1,150,127	1,088,503	133,783	2,485,522
Additions	-	5	-	1,766	11,286	69,247	82,304
Disposals	-	-	-	(18,440)	(26,307)	-	(44,747)
Provision for impairment reversal (*)	-	-	-	2,201	-	-	2,201
Transfers	-	-	-	5,588	951	(6,539)	-
<b>Closing balance as of 31 March 2024</b>	<b>110,691</b>	<b>1,114</b>	<b>1,309</b>	<b>1,141,242</b>	<b>1,074,433</b>	<b>196,491</b>	<b>2,525,280</b>
<b><u>Accumulated Depreciation</u></b>							
Opening balance as of 1 January 2024	(23,344)	(1,109)	(973)	(742,632)	(852,010)	-	(1,620,068)
Charge for the period	(557)	-	(28)	(30,185)	(18,648)	-	(49,418)
Disposals	-	-	-	15,931	26,098	-	42,028
Net impairment / reversal (*)	-	-	-	(1,828)	-	-	(1,828)
<b>Closing balance as of 31 March 2024</b>	<b>(23,901)</b>	<b>(1,109)</b>	<b>(1,001)</b>	<b>(758,715)</b>	<b>(844,560)</b>	<b>-</b>	<b>(1,629,286)</b>
<b>Closing balance as of 31 December 2023</b>	<b>87,347</b>	<b>(0)</b>	<b>336</b>	<b>407,495</b>	<b>236,493</b>	<b>133,783</b>	<b>865,454</b>
<b>Net book value as of 31 March 2024</b>	<b>86,790</b>	<b>5</b>	<b>308</b>	<b>382,528</b>	<b>229,873</b>	<b>196,491</b>	<b>895,994</b>

(\*) As of 31 March 2024, net impairment loss for property, plant and equipment is TL 373 (31 March 2023: TL -232). TL 43,553 (31 March 2023: TL 24,789) of depreciation expense is included in marketing expenses and TL 5,865 (31 March 2023: TL 9,631) is included in general administrative expenses.

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**NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (cont’d)**

The movement of property, plant and equipment and related accumulated depreciation for the period ended 31 March 2023 are as follows:

	<b>Buildings</b>	<b>Plant, machinery and equipment</b>	<b>Vehicles</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Construction in progress</b>	<b>Total</b>
<b><u>Malivet Değeri</u></b>							
Opening balance as of 1 January 2023	115,603	1,155	1,309	932,540	975,012	56,340	2,081,959
Additions	-	-	-	59,414	10,394	23,116	92,924
Disposals	-	-	-	(67)	-	-	(67)
Provision for impairment reversal (*)	-	-	-	(1,195)	(493)	-	(1,688)
Transfers	-	-	-	24,277	11,016	(38,598)	(3,305)
<b>Closing balance as of 31 March 2023</b>	<b>115,603</b>	<b>1,155</b>	<b>1,309</b>	<b>1,014,969</b>	<b>995,929</b>	<b>40,858</b>	<b>2,169,823</b>
<b><u>Accumulated Depreciation</u></b>							
Opening balance as of 1 January 2023	(20,609)	(1,155)	(858)	(721,423)	(823,262)	-	(1,567,307)
Charge for the period	(682)	-	(29)	(20,173)	(13,536)	-	(34,420)
Disposals	-	-	-	41	-	-	41
Net impairment / reversal (*)	-	-	-	1,088	368	-	1,456
<b>Closing balance as of 31 March 2023</b>	<b>(21,291)</b>	<b>(1,155)</b>	<b>(887)</b>	<b>(740,467)</b>	<b>(836,430)</b>	<b>-</b>	<b>(1,600,230)</b>
<b>Closing balance as of 31 December 2022</b>	<b>94,994</b>	<b>-</b>	<b>451</b>	<b>211,117</b>	<b>151,750</b>	<b>56,340</b>	<b>514,652</b>
<b>Net book value as of 31 March 2023</b>	<b>94,312</b>	<b>-</b>	<b>422</b>	<b>274,502</b>	<b>159,499</b>	<b>40,858</b>	<b>569,593</b>

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**NOTE 14 – INTANGIBLE ASSETS**

The movement of intangible assets and related accumulated depreciation for the period ended 31 March 2024 and 2023 are as follows:

<b>Cost Value</b>	<b>Licences - Rights and Computer Software</b>	<b>Total</b>
Opening balance as of 1 January 2024	1,526,146	1,526,146
Additions	34,393	34,393
<b>Closing balance as of 31 March 2024</b>	<b>1,560,539</b>	<b>1,560,539</b>

**Accumulated Amortization**

Opening balance as of 1 January 2024	(1,243,086)	(1,243,086)
Charge for the period	(31,734)	(31,734)
<b>Closing balance as of 31 March 2024</b>	<b>(1,274,820)</b>	<b>(1,274,820)</b>
<b>Closing balance as of 31 December 2023</b>	<b>283,060</b>	<b>283,060</b>
<b>Net book value as of 31 March 2024</b>	<b>285,719</b>	<b>285,719</b>

<b>Cost Value</b>	<b>Licences - Rights and Computer Software</b>	<b>Total</b>
Opening balance as of 1 January 2023	1,378,249	1,378,249
Additions	21,466	21,466
Transfers	3,305	3,305
Impairment (*)	(51)	(51)
<b>Closing balance as of 31 March 2023</b>	<b>1,402,969</b>	<b>1,402,969</b>

**Accumulated Amortization**

Opening balance as of 1 January 2023	(1,132,531)	(1,132,531)
Charge for the period	(26,475)	(26,475)
Provision for impairment (*)	11	11
<b>Closing balance as of 31 March 2023</b>	<b>(1,158,995)</b>	<b>(1,158,995)</b>
<b>Closing balance as of 31 December 2022</b>	<b>245,718</b>	<b>245,718</b>
<b>Net book value as of 31 March 2023</b>	<b>243,974</b>	<b>243,974</b>

(\*) As of 31 March 2024, the impairment loss during the period calculated for intangible assets are net TL 40.

TL 19,796 (31 March 2023: TL 16,516) of amortization expense is included in marketing expenses and TL 11,938 (31 March 2023: TL 9,959) is included in general administrative expenses.

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

Details of payables related to employee benefits as of 31 March 2024 and 31 December 2023 are as follows:

<b>Employee benefit payables</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Salaries payable to personnel	135,619	74,626
Social security premiums payable	112,334	85,519
Income tax payable	32,105	20,544
	<b>280,058</b>	<b>180,689</b>

The details of the provisions for employee benefits as of 31 March 2024 and 31 December 2023 are as follows:

<b>Short-term provisions</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
General administration premium provision	16,775	71,985
Sales personnel premium provision	25,922	56,131
Provision for unused leave	36,754	26,494
	<b>79,451</b>	<b>154,610</b>

<b>Long-term provisions</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Provision for employment termination benefits	95,370	101,218
General management premium provision	6,575	6,338
	<b>101,945</b>	<b>107,556</b>

**Provisions for employment termination benefits**

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

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits* stipulates the development of the Company’s liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

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**NOTE 15– PAYABLES RELATED TO EMPLOYEE BENEFITS AND PROVISIONS FOR EMPLOYEE BENEFITS (cont’d)**

**Provisions for employment termination benefits (cont’d)**

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying special purpose financial statements as of 31 March 2024, 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 1.73% real discount rate calculated by using 26.90% annual inflation rate and 29.10% interest rate (31 December 2023: 1.73%) Voluntary turnover rates for sales and administrative personnel are considered as 10.8% and 2.8% for employees with 0-15 years of service (31 December 2023: 28.36% and 8.67% respectively) and 0% for employees with 16 or more years of service.

Probability has been determined as 100% for employees whose insurance register began before December 1999 (75 personnel) and the provision has been calculated accordingly.

The movement of employment termination benefit provision for the year ended 31 March 2024 and 2023 are as follows:

<b>Movement of provision for employment termination benefits:</b>	<b>2024</b>	<b>2023</b>
Provision as of 1 January	101,218	116,188
Cost of service	7,540	4,632
Interest cost	6,260	5,233
Payments during the period	(14,869)	(11,163)
Actuarial loss/(gain)	9,412	15,624
Inflation Adjustment	(14,191)	(6,459)
<b>Provision as of 31 March</b>	<b>95,370</b>	<b>124,055</b>

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**NOTE 16 – PROVISIONS**

The details of the other short-term provisions as of 31 March 2024 and 31 December 2023 are as follow.

Short-term provisions	31 March 2024	31 December 2023
Provision for litigations (*)	33,272	29,112
Provision for consultancy and centre expenses (**)	20,877	27,229
Store provisions	11,735	14,975
İklimsa warranty provision	6,239	5,185
Provision for Competition Board penalty (***)	-	32,970
Other	8,007	7,747
	<b>80,130</b>	<b>117,218</b>

(\*) Provision for ongoing litigation is comprised of lawsuits filed by consumers and former employees against the Company.

(\*\*) It consists of the provisions for the services and consultancy received by the Company during the fiscal year.

(\*\*\*) As a result of the allegation that the procedural examination was made difficult during the on-site examination conducted within the scope of the investigation opened in accordance with the Competition Board's decisions dated 18 May 2022 and numbered 22-23/370-M and 22-23/371-M, as a result of the Competition Authority's decision dated 2 May 2023 and numbered E-70922894- 110.01.04-63722, it was decided to impose an administrative fine of TL 38,206 on the Company which is 0.5% of the Company's annual gross revenues at the end of the fiscal year 2021 and determined by the Competition Board. On 16 February 2024, the Company made a payment of TL 28,654 with a 25% discount within the discounted payment date (1 month following the date of notification) in accordance with the reasoned decision dated 17 January 2024 and at the same time, a lawsuit was filed with the administrative court for the decision.

The movement of provisions for ongoing litigation and cancellation of rent agreements for the year ended 31 March 2024 and 31 December 2023 are as follows:

	1 January 2024	1 January - 31 March 2024 Additional Provisions	1 January - 31 March 2024 Provisions Paid/Reversed	Inflation Effect	31 March 2024
<b>Litigation provisions</b>	<b>29,112</b>	<b>7,971</b>	-	<b>(3,810)</b>	<b>33,272</b>
<i>Claim for damages</i>	1,118	-	-	(146)	972
<i>Reemployment lawsuit</i>	23,152	5,867	-	(3,031)	25,988
<i>Consumer lawsuits</i>	3,022	98	-	(395)	2,724
<i>Rental litigation provisions</i>	1,820	2,006	-	(238)	3,588
	<b>29,112</b>	<b>7,971</b>	-	<b>(3,810)</b>	<b>33,272</b>
	1 January 2023	1 January - 31 December 2023 Additional Provisions	1 January - 31 December 2023 Provisions Paid/Reversed	Inflation Effect	31 December 2023
<b>Litigation provisions</b>	<b>23,541</b>	<b>14,951</b>	<b>(125)</b>	<b>(9,255)</b>	<b>29,112</b>
<i>Claim for damages</i>	2,012	-	(102)	(791)	1,118
<i>Reemployment lawsuit</i>	18,850	11,713	-	(7,411)	23,152
<i>Consumer lawsuits</i>	2,521	1,491	-	(991)	3,022
<i>Rental litigation provisions</i>	158	1,747	(23)	(62)	1,820
	<b>23,541</b>	<b>14,951</b>	<b>(125)</b>	<b>(9,255)</b>	<b>29,112</b>

As of 31 March 2024, the amount of letters of guarantee given from banks to the related court administrations is TL 13,364. (31 December 2023: TL 12,414).

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**NOTE 17 – COMMITMENTS**

***Collateral, pledge, mortgage, warrant position***

Collaterals, pledges, mortgages and warrant (“CPMW”) given by the Company as of 31 March 2024 and 31 December 2023 are as follows:

**GPM's Given by the Company**

<b>31 March 2024</b>	<b>TL equivalent</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other</b>
A. Total Amount of GPM Given on Behalf of the Legal Entity	<b>417,459</b>	<b>11,173</b>	<b>1,460</b>	<b>5,942</b>
-Guarantees	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	5,942	-	-	5,942
-Letter of Credit	411,517	11,173	1,460	-
B. Total Amount of GPM Given Against the Subsidiaries Included in Full Consolidation	-	-	-	-
C. Total Amount of GPM Given to Maintain Operations and Collect Payables from Third Parties	-	-	-	-
D. Total amount of other GPM's given	-	-	-	-
<b>Total</b>	<b>417,459</b>	<b>11,173</b>	<b>1,460</b>	<b>5,942</b>

**GPM's Given by the Company**

<b>31 December 2023</b>	<b>TL equivalent</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other</b>
A. Total Amount of GPM Given on Behalf of the Legal Entity	<b>331,151</b>	<b>11,016</b>	-	<b>6,837</b>
-Guarantees	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	6,837	-	-	6,837
-Letter of Credit	324,314	11,016	-	-
B. Total Amount of GPM Given Against the Subsidiaries Included in Full Consolidation	-	-	-	-
C. Total Amount of GPM Given to Maintain Operations and Collect Payables from Third Parties	-	-	-	-
D. Total amount of other GPM's given	-	-	-	-
<b>Total</b>	<b>331,151</b>	<b>11,016</b>	<b>-</b>	<b>6,837</b>

The ratio of other CPMW given on behalf of third parties except for the CPMW given on behalf of the Company’s own legal personality to total equity is 0% as at 31 March 2024 (31 December 2023: 0%).

As of 31 March 2024 and 31 December 2023, 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.

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**NOTE 18 – OTHER ASSETS AND LIABILITIES**

The details of other assets and liabilities as of 31 March 2024 and 31 December 2023 are as follows:

<u>Other Current Assets</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Deferred VAT	405,317	355,079
Business advances	15,184	5,726
Personnel advances	508	362
Other miscellaneous current assets	35,147	37,534
	<u>456,156</u>	<u>398,701</u>
<u>Other Short-Term Liabilities</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Other expense accruals	3,755	4,107
Other miscellaneous payables and liabilities	12,649	18,759
	<u>16,404</u>	<u>22,866</u>

**NOTE 19 - REVENUE AND COST OF SALES**

The details of sales revenues and cost of sales for the three-month interim accounting periods ending on 31 March 2024 and 2023 are presented below.

	<u>1 January- 31 March 2024</u>	<u>1 January- 31 March 2023</u>
<b>a) Sales income (net)</b>		
Retail sales	12,583,827	9,703,242
E-commerce sales	1,460,843	1,160,474
Dealer group sales	569,400	554,756
<b>Total</b>	<u>14,614,070</u>	<u>11,418,472</u>
	<u>1 January- 31 March 2024</u>	<u>1 January- 31 March 2023</u>
<b>b) Cost of sales</b>		
Cost of trade goods sold	(12,903,241)	(10,123,994)
Installation and warranty expenses	(65,501)	(27,472)
	<u>(12,968,742)</u>	<u>(10,151,466)</u>



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**NOTE 20 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES**

	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
General administrative expenses (-)	(168,023)	(125,255)
Marketing expenses (-)	(1,381,442)	(1,065,307)
	<b>(1,549,465)</b>	<b>(1,190,562)</b>

The details of administrative expenses for three-month periods ended 31 March 2024 and 2023 are as follows:

<b>a) Details of General Administrative Expenses</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Personnel expenses	(80,879)	(51,207)
IT expenses	(34,907)	(29,743)
Consultancy service expenses	(20,487)	(13,329)
Depreciation and amortization expenses	(20,382)	(21,481)
Lease expenses	(2,807)	(1,225)
Maintenance, repair and cleaning expenses	(1,022)	(933)
Travel expenses	(1,192)	(814)
Energy, fuel and water expenses	(84)	(125)
Other expenses	(6,263)	(6,398)
	<b>(168,023)</b>	<b>(125,255)</b>

The details of marketing, sales and distribution expenses for three-month periods ended 31 March 2024 and 2023 are as follows:

<b>b) Details of Marketing Expenses</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Personnel expenses	(485,899)	(382,598)
Lease expenses	(272,419)	(196,069)
Depreciation and amortization expenses	(242,220)	(184,597)
Advertising and promotion expenses	(120,549)	(95,200)
Freight and logistics expenses	(136,309)	(69,361)
Energy, fuel and water expenses	(25,292)	(46,564)
Maintenance, repair and cleaning expenses	(18,668)	(16,854)
Consultancy service expenses	(14,821)	(14,716)
Travel, transport and accommodation expenses	(3,901)	(2,630)
Communication expenses	(1,152)	(1,211)
Other expenses	(60,212)	(55,507)
	<b>(1,381,442)</b>	<b>(1,065,307)</b>

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**NOTE 21 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

The details of other income from operating activities for three-month periods ended 31 March 2024 and 2023 are as follows:

<b><u>Other Income from Operating Activities</u></b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Foreign exchange income	175,818	46,534
Maturity difference income	59,718	38,190
Deductions from personnel	1,390	1,159
Lease termination income	-	405
Other income	11,060	8,472
	<b><u>247,986</u></b>	<b><u>94,760</u></b>

The details of other expense from operating activities for three-month periods ended 31 March 2024 and 2023 are as follows:

<b><u>Other Expenses from Operating Activities</u></b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Maturity difference expenses	(736,837)	(200,334)
Foreign exchange expenses	(245,987)	(46,172)
Court and execution expenses	(9,932)	(4,252)
Other expenses	(12,114)	(14,616)
	<b><u>(1,004,870)</u></b>	<b><u>(265,374)</u></b>

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**NOTE 22 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

The details of income from investing activities for three-month periods ended 31 March 2024 and 2023 are as follows:

*Income from investing activities*

<u>Income from investing activities</u>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Bank interest income	49,186	67,736
	<u><b>49,186</b></u>	<u><b>67,736</b></u>

The details of expense from investing activities for three-month periods ended 31 March 2024 and 2023 are as follows:

*Expenses from investing activities*

<u>Expenses from investing activities</u>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Loss on sale of property, plant and equipment	(327)	-
	<u><b>(327)</b></u>	<u><b>-</b></u>

**NOTE 23 – FINANCE EXPENSE AND INCOME**

The details of finance expenses for three-month periods ended 31 March 2024 and 2023 are as follows:

<u>Finance Expenses</u>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Credit card commission and discount expenses	(699,976)	(266,607)
Interest and commission expenses	(173,713)	(29,837)
Interest expense on lease liabilities (Note 6)	(52,078)	(45,258)
Foreign exchange expense	(37,213)	(2,323)
Letter of guarantee commissions	(8,492)	(5,416)
Other financial expenses	(1,712)	(722)
	<u><b>(973,184)</b></u>	<u><b>(350,163)</b></u>

The details of finance income for three-month periods ended 31 March 2024 and 2023 are as follows:

<u>Finance Income</u>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Foreign exchange income	103,885	5,317
	<u><b>103,885</b></u>	<u><b>5,317</b></u>

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**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.

**31 March 2024**

	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
1. Trade Receivables	12,413	378	6	-
2a. Monetary financial assets (including cash and bank accounts)	1,097,133	31,226	2,557	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	(3,350)	35	(129)	-
<b>4. Current assets (1+2+3)</b>	<b>1,106,196</b>	<b>31,639</b>	<b>2,434</b>	<b>-</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	1,195	37	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>1,195</b>	<b>37</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>1,107,391</b>	<b>31,676</b>	<b>2,434</b>	<b>-</b>
10. Trade Payables	(1,072,983)	(34,016)	724	1
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	13,726	423	2	-
<b>13. Short-term liabilities (10+11+12)</b>	<b>(1,059,256)</b>	<b>(33,593)</b>	<b>726</b>	<b>1</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Long-term liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>(1,059,256)</b>	<b>(33,593)</b>	<b>726</b>	<b>1</b>
<b>19. Net asset/(liability) liability position of off-balance sheet derivative instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.a Total amount of hedged assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.b. Total amount of hedged liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset/(liability) position (9+18+19)</b>	<b>48,134</b>	<b>(1,917)</b>	<b>3,160</b>	<b>1</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>36,563</b>	<b>(2,412)</b>	<b>3,287</b>	<b>1</b>
<b>22. Total fair value of financial instruments used for foreign currency hedging</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**Foreign currency risk (cont’d)**

	<b>31 December 2023</b>			
	<b>TL Equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
1. Trade Receivables	11,682	388	7	1
2a. Monetary financial assets (including cash and bank accounts)	1,113,218	34,496	3,000	-
2b. Non-Monetary Financial Assets	--	--	--	-
3. Other	1,435	32	15	-
<b>4. Current assets (1+2+3)</b>	<b>1,126,335</b>	<b>34,916</b>	<b>3,022</b>	<b>1</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	1,253	43	-	-
<b>8. Non-current assets (5+6+7)</b>	<b>1,253</b>	<b>43</b>	<b>-</b>	<b>-</b>
<b>9. Total assets (4+8)</b>	<b>1,127,588</b>	<b>34,959</b>	<b>3,022</b>	<b>1</b>
10. Trade Payables	(1,661,471)	(56,101)	(306)	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	(14,166)	(479)	(2)	-
<b>13. Short-term liabilities (10+11+12)</b>	<b>(1,675,637)</b>	<b>(56,580)</b>	<b>(308)</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Long-term liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>(1,675,637)</b>	<b>(56,580)</b>	<b>(308)</b>	<b>-</b>
<b>19. Net asset/(liability) liability position of off-balance sheet derivative instruments (19a-19b)</b>	<b>(135,491)</b>	<b>(4,603)</b>	<b>-</b>	<b>-</b>
<b>19.a Total amount of hedged assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Total amount of hedged liabilities</b>	<b>135,491</b>	<b>4,603</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset/(liability) position (9+18+19)</b>	<b>(683,540)</b>	<b>(26,224)</b>	<b>2,714</b>	<b>1</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(536,571)</b>	<b>(21,217)</b>	<b>2,701</b>	<b>1</b>
<b>22. Total fair value of financial instruments used for foreign currency hedging</b>	<b>(511)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>

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**NOTE 24 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)**

**Foreign currency risk (cont’d)**

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 Analysis Table**

	<b>31 March 2024</b>			
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case USD appreciates 10% against TL				
1 - Net asset/liability of USD	(6,190)	6,190	(6,190)	6,190
2- Portion hedged from USD risk (-)				
<b>3- USD net effect (1 +2)</b>	<b>(6,190)</b>	<b>6,190</b>	<b>(6,190)</b>	<b>6,190</b>
In case EUR appreciates 10% against TL				
4 - Net asset/liability of EUR	10,998	(10,998)	10,998	(10,998)
5 - Portion hedged from EUR risk (-)			-	
<b>6- EUR net effect (4+5)</b>	<b>10,998</b>	<b>(10,998)</b>	<b>10,998</b>	<b>(10,998)</b>
In case of other foreign currency appreciates 10% against TL				
7- Other foreign currency net assets / liabilities	2	(2)	2	(2)
8- Portion hedged from other foreign currency risk (-)	-	-	-	-
<b>9- Other Foreign Currency Assets net effect (7+8)</b>	<b>2</b>	<b>(2)</b>	<b>2</b>	<b>(2)</b>
<b>TOTAL (3 + 6 +9)</b>	<b>4,810</b>	<b>(4,810)</b>	<b>4,810</b>	<b>(4,810)</b>

**Foreign Currency Sensitivity Analysis Table**

	<b>31 December 2023</b>			
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case USD appreciates 10% against TL				
1 - Net asset/liability of USD	(63,648)	63,648	(63,648)	63,648
2- Portion hedged from USD risk (-)			(13,549)	13,549
<b>3- USD net effect (1 +2)</b>	<b>(63,648)</b>	<b>63,648</b>	<b>(77,197)</b>	<b>77,197</b>
In case EUR appreciates 10% against TL				
4 - Net asset/liability of EUR	8,838	(8,838)	8,838	(8,838)
5 - Portion hedged from EUR risk (-)	-	-	-	-
<b>6- EUR net effect (4+5)</b>	<b>8,838</b>	<b>(8,838)</b>	<b>8,838</b>	<b>(8,838)</b>
In case of other foreign currency appreciates 10% against TL				
7- Other foreign currency net assets / liabilities	-	-	-	-
8- Portion hedged from other foreign currency risk (-)	-	-	-	-
<b>9- Other Foreign Currency Assets net effect (7+8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3 + 6 +9)</b>	<b>(54,810)</b>	<b>54,810</b>	<b>(68,359)</b>	<b>68,359</b>

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

As of 31 March 2024 and 31 December 2023, fair value and carrying amounts of assets and liabilities are shown in the table below:

	Financial assets measured at amortised cost	Financial assets and liabilities measured at fair value through other comprehensive income	Financial liabilities measured at amortised cost	Book value	Note
<b>31 March 2024</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,800,036	-	-	1,800,036	5
Trade receivables (including related party balances)	942,891	-	-	942,891	7
Other receivables (including related party balances)	1,325	-	-	1,325	8
<b>Financial Liabilities</b>					
Financial payables (including related party balances)	-	-	1,925,566	1,925,566	6
Lease liabilities (including related party balances)	-	-	918,369	918,369	6
Trade payables (including related party balances)	-	-	9,315,085	9,315,085	7
Other payables	-	-	13,856	13,856	8
<b>31 Aralık 2023</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	3,151,396	-	-	3,151,396	5
Trade receivables (including related party balances)	1,071,782	-	-	1,071,782	7
Receivables from related parties	1,402	-	-	1,402	8
<b>Financial Liabilities</b>					
Financial payables (including related party balances)	-	-	624,066	624,066	6
Lease liabilities (including related party balances)	-	-	837,379	837,379	6
Trade payables (including related party balances)	-	-	11,406,936	11,406,936	7
Other payables	-	-	14,314	14,314	8
Derivative instruments	-	511	-	-	-

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.

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**NOTE 26 - EVENTS AFTER THE REPORTING PERIOD**

As a result of the audit conducted within the framework of the provisions of the Law No. 6502 on the Protection of Consumers, the Turkish Ministry of Commerce, Istanbul Provincial Directorate of Commerce decided to impose a fine of TL 83,892,861 in accordance with Articles 77 and 78 of the same Law for not including the delivery time in the preliminary information form. On 27 May 2024, the penalty notice was notified to the Company. Following the notification, the Company management is considering using all legal rights, including reconciliation, in relation to the penalty notice.