

**VESTEL ELEKTRONİK SANAYİ VE TİCARET
ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY- 30 SEPTEMBER 2024**

(ORIGINALLY ISSUED IN TURKISH)

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30
SEPTEMBER 2024**

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2024 AND 31
DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Notes	30 September 2024	Audited 31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	4.747.455	3.117.564
Financial Assets		56.672	48.001
Trade Receivables		21.683.858	24.218.331
<i>Trade Receivables Due from Related Parties</i>	7	767.707	620.260
<i>Trade Receivables Due from Third Parties</i>	8	20.916.151	23.598.071
Other Receivables		2.496.080	3.064.426
<i>Other Receivables Due from Related Parties</i>	7	1.010.937	1.208.224
<i>Other Receivables Due from Third Parties</i>	9	1.485.143	1.856.202
Derivative Financial Instruments	26	68.342	254.203
Inventories	10	32.111.904	31.942.063
Prepaid Expenses		1.325.220	2.070.394
<i>Prepayments to Third Parties</i>	11	1.325.220	2.070.394
Current Tax Assets	24	16.134	18.855
Other Current Assets		488.329	622.893
<i>Other Current Assets Due from Third Parties</i>	19	488.329	622.893
TOTAL CURRENT ASSETS		62.993.994	65.356.730
NON-CURRENT ASSETS			
Financial Assets		286.177	392.536
Associates Accounted by Using the Equity Method	12	6.371.052	7.957.708
Trade Receivables		266	1.116
<i>Trade Receivables Due from Third Parties</i>	8	266	1.116
Other Receivables		38.789.982	39.129.794
<i>Other Receivables Due from Related Parties</i>	7	38.728.208	39.083.999
<i>Other Receivables Due from Third Parties</i>	9	61.774	45.795
Property, Plant and Equipment	13	46.991.604	47.063.939
Right of Use Assets	14	1.895.293	1.672.554
Intangible Assets	15	6.746.695	5.317.288
Prepaid Expenses		3.406.509	3.180.387
<i>Prepayments to Related Parties</i>	7	2.573.482	2.692.903
<i>Prepayments to Third Parties</i>	11	833.027	487.484
TOTAL NON-CURRENT ASSETS		104.487.578	104.715.322
TOTAL ASSETS		167.481.572	170.072.052

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2024 AND 31
DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Notes	30 September 2024	Audited 31 December 2023
LIABILITIES			
CURRENT LIABILITIES			
Short Term Borrowings	6	32.493.767	30.155.095
Short Term Borrowings from Third Parties		32.493.767	30.155.095
<i>Bank Loans</i>	6	28.776.740	27.555.174
<i>Lease Liabilities</i>	6	264.115	313.786
<i>Issued Debt Instruments</i>	6	3.452.912	2.286.135
Current Portion of Long Term Borrowings		5.016.820	6.374.463
Current Portion of Long Term Borrowings from Third Parties		5.016.820	6.374.463
<i>Bank Loans</i>	6	1.615.120	3.837.597
<i>Issued Debt Instruments</i>	6	3.401.700	2.536.866
Other Financial Liabilities		1.534.154	1.711.434
Trade Payables		44.794.552	57.014.843
<i>Trade Payables to Related Parties</i>	7	230.689	152.879
<i>Trade Payables to Third Parties</i>	8	44.563.863	56.861.964
Payables Related to Employee Benefits	18	1.111.274	1.239.661
Other Payables		162.474	19.246
<i>Other Payables to Third Parties</i>	9	162.474	19.246
Derivative Financial Liabilities	26	249.416	850.975
Deferred Revenue		2.110.112	1.458.016
<i>Deferred Revenue from Related Parties</i>		-	5.464
<i>Deferred Revenue from Third Parties</i>	9	2.110.112	1.452.552
Current Tax Liabilities	24	25.725	21.287
Current Provisions		3.467.487	4.037.982
<i>Other Current Provisions</i>	16	3.467.487	4.037.982
Other Current Liabilities		2.125.229	3.274.995
<i>Other Current Liabilities to Third Parties</i>	19	2.125.229	3.274.995
TOTAL CURRENT LIABILITIES		93.091.010	106.157.997

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2024 AND 31
DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

		30 September	Audited
	Notes	2024	31 December
			2023
NON-CURRENT LIABILITIES			
Long Term Borrowings		17.837.859	3.440.312
Long Term Borrowings from Third Parties		17.837.859	3.440.312
<i>Bank Loans</i>	<i>6</i>	<i>1.119.119</i>	<i>2.537.160</i>
<i>Lease Liabilities</i>	<i>6</i>	<i>692.445</i>	<i>903.152</i>
<i>Issued Debt Instruments</i>	<i>6</i>	<i>16.026.295</i>	-
Other Financial Liabilities		256.221	349.181
Trade Payables		173.673	242.068
<i>Trade Payables to Third Parties</i>	<i>8</i>	<i>173.673</i>	<i>242.068</i>
Non-current Provisions		2.315.977	2.622.123
<i>Non-current Provisions for Employee Benefits</i>	<i>18</i>	<i>1.767.401</i>	<i>2.147.753</i>
<i>Other Non-current Provisions</i>	<i>16</i>	<i>548.576</i>	<i>474.370</i>
Deferred Tax Liabilities	24	3.322.790	1.729.164
Other Non-current Liabilities		5.991	17.440
<i>Other Non-current Liabilities to Third Parties</i>		<i>5.991</i>	<i>17.440</i>
TOTAL NON-CURRENT LIABILITIES		23.912.511	8.400.288
TOTAL LIABILITIES		117.003.521	114.558.285

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2024 AND 31
DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

		30 September	Audited
	Notes	2024	31 December
			2023
EQUITY			
Equity Attributable to Owners of Parent		44.017.314	48.970.797
Share Capital	20	335.456	335.456
Adjustments to Share Capital		21.199.309	21.199.309
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified to Profit or Loss		10.415.835	10.536.878
Gains (Losses) on Revaluation and Remeasurement		<i>10.415.835</i>	<i>10.536.878</i>
<i>Revaluation of Property, Plant and Equipment</i>	<i>20</i>	<i>12.188.309</i>	<i>12.283.240</i>
<i>Gains (Losses) on Remeasurement of Defined Benefit Plans</i>		<i>(1.772.474)</i>	<i>(1.746.362)</i>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified to Profit or Loss		1.428.019	2.044.796
Exchange Differences on Translation		1.452.462	2.186.646
Gains (Losses) on Hedge		(85.649)	(224.497)
<i>Gains (Losses) on Cash Flow Hedges</i>		<i>(85.649)</i>	<i>(224.497)</i>
Gains (Losses) on Revaluation and Reclassification		61.206	82.647
<i>Financial Assets Measured of Fair Value through Other Comprehensive Income</i>	<i>20</i>	<i>61.206</i>	<i>82.647</i>
Restricted Reserves Appropriated from Profits		1.702.593	1.702.593
<i>Legal Reserves</i>	<i>20</i>	<i>1.702.593</i>	<i>1.702.593</i>
Retained Earnings		13.246.696	11.182.300
Current Period Net Profit Or (Loss)		(4.310.594)	1.969.465
Non-controlling Interests		6.460.737	6.542.970
TOTAL EQUITY		50.478.051	55.513.767
TOTAL LIABILITIES AND EQUITY		167.481.572	170.072.052

Condensed consolidated interim financial statements for the period 1 January - 30 September 2024, were approved by the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. on 8 November 2024.

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
PROFIT OR LOSS					
Revenue	21	99.152.986	112.522.184	33.535.036	40.256.249
Cost of Sales	21	(75.611.206)	(88.968.467)	(25.294.218)	(30.898.572)
GROSS PROFIT		23.541.780	23.553.717	8.240.818	9.357.677
General Administrative Expenses		(2.920.340)	(2.931.760)	(1.025.505)	(948.067)
Marketing Expenses		(13.722.976)	(14.726.333)	(4.583.715)	(5.290.319)
Research and Development Expense		(1.766.237)	(2.108.112)	(504.572)	(675.597)
Other Income from Operating Activities	22	3.011.204	3.663.594	1.070.399	129.695
Other Expenses from Operating Activities	22	(8.795.507)	(14.950.697)	(2.662.607)	(2.110.569)
(LOSS) / PROFIT FROM OPERATING ACTIVITIES		(652.076)	(7.499.591)	534.818	462.820
Share of Net Profit /(Loss) of Associates Accounted for Using the Equity Method		(1.593.627)	(837.683)	(710.103)	54.993
(LOSS) / PROFIT BEFORE FINANCING INCOME / (EXPENSE)		(2.245.703)	(8.337.274)	(175.285)	517.813
Finance Income	23	10.138.340	18.871.405	3.021.659	4.147.416
Finance Expenses	23	(17.247.893)	(19.424.116)	(6.045.357)	(4.904.525)
Monetary Gain		7.218.625	11.742.319	1.000.929	5.265.337
PROFIT / (LOSS) BEFORE INCOME TAX		(2.136.631)	2.852.334	(2.198.054)	5.026.041
Tax Expense, Continuing Operations		(1.996.941)	(3.411.611)	(905.389)	(3.038.403)
Current Tax Expense	24	(30.034)	(434.473)	(10.024)	(28.599)
Deferred Tax Expense	24	(1.966.907)	(2.977.138)	(895.365)	(3.009.804)
PROFIT / (LOSS) FOR THE PERIOD		(4.133.572)	(559.277)	(3.103.443)	1.987.638
Profit / (loss), attributable to					
Non-controlling Interests		177.022	1.084.831	(94.763)	883.436
Owners of Parent	25	(4.310.594)	(1.644.108)	(3.008.680)	1.104.202
Earnings per share with a Kr 1 of Par Value (TL)	25	(0,1285)	(0,0490)	(0,0897)	0,0329

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
PROFIT / (LOSS) FOR THE PERIOD OTHER COMPREHENSIVE INCOME	(4.133.572)	(559.277)	(3.103.443)	1.987.638
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or Loss	(31.015)	(239.086)	(14.587)	11.522
Losses on Remeasurements of Defined Benefit Plans	(41.353)	(318.782)	(19.450)	(5.522)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Profit or Loss	10.338	79.696	4.863	17.044
Taxes Relating to Remeasurements of Defined Benefit Plans	10.338	79.696	4.863	17.044
Other Comprehensive Income / (Expense) that will be Reclassified to Profit or Loss	(579.630)	1.428.405	(668.634)	408.610
Foreign Exchange Differences on Translation	(734.184)	738.181	(371.712)	(29.010)
Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	(28.588)	(76.863)	(27.207)	27.473
Other Comprehensive Income (Expense) Related with Cash Flow Hedges	234.660	997.161	(368.689)	577.070
Gains (Losses) on Cash Flow Hedges	234.660	997.161	(368.689)	577.070
Taxes Relating to Components of Other Comprehensive Income / (Expense)	(51.518)	(230.074)	98.974	(166.923)
Taxes Relating to Gains (Losses) on Remeasuring or Reclassification Adjustments on Financial Assets Through Other Comprehensive Income	7.147	19.216	6.802	(1.651)
Taxes Relating to Cash Flow Hedges	(58.665)	(249.290)	92.172	(165.272)
OTHER COMPREHENSIVE INCOME / (EXPENSE)	(610.645)	1.189.319	(683.221)	420.132
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	(4.744.217)	630.042	(3.786.664)	2.407.770
Total Comprehensive Income Attributable to				
Non-controlling Interests	209.266	1.160.036	(151.948)	917.262
Owners of Parent	(4.953.483)	(529.994)	(3.634.716)	1.490.508

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS 1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Issued Capital	Inflation Adjustments on Capital	Increases on Revaluation of Property, Plant and Equipment	Losses on Remeasurement of Defined Benefit Plans	Gains and Remeasurements	Other Accumulated Comprehensive Income that will not be Reclassified to Profit or Loss	Exchange Differences on Translation	Gains (Losses) on Cash Flow Hedges	Reserve Of Gains or Losses on Hedge	Gains on Remeasuring Financial Assets Measured of Fair Value through Other Comprehensive Income	Gains on Revaluation and Reclassification	Other Accumulated Comprehensive Income that will be Reclassified to Profit or Loss	Restricted Reserves Appropriated From Profits	Prior Years' Profits or Losses	Current Period Net Profit Or Loss	Retained Earnings	Equity attribut-able to owners of parent	Non-controlling interests	Equity
Previous Period																			
1 January -30 September 2023																			
Opening Balance	335.456	21.199.309	3.745.575	(1.452.340)	2.293.235	2.293.235	1.604.183	(289.602)	(289.602)	111.989	111.989	1.426.570	1.702.593	10.386.603	(151.261)	10.235.342	37.192.505	3.875.256	41.067.761
Transfers	-	-	(115.597)	-	(115.597)	(115.597)	-	-	-	-	-	-	-	(35.664)	151.261	115.597	-	-	-
Total Comprehensive Income	-	-	-	(240.072)	(240.072)	(240.072)	738.181	673.652	673.652	(57.647)	(57.647)	1.354.186	-	-	(1.644.108)	(1.644.108)	(529.994)	1.160.036	630.042
Profit (Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.644.108)	(1.644.108)	(1.644.108)	1.084.831	(559.277)
Other Comprehensive Income (Loss)	-	-	-	(240.072)	(240.072)	(240.072)	738.181	673.652	673.652	(57.647)	(57.647)	1.354.186	-	-	-	-	1.114.114	75.205	1.189.319
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(155.357)	(155.357)
Transactions with non-controlling	-	-	(690)	23.067	22.377	22.377	-	(3.158)	(3.158)	-	-	(3.158)	(59.387)	852.682	-	852.682	812.514	359.755	1.172.269
Closing Balance	335.456	21.199.309	3.629.288	(1.669.345)	1.959.943	1.959.943	2.342.364	380.892	380.892	54.342	54.342	2.777.598	1.643.206	11.203.621	(1.644.108)	9.559.513	37.475.025	5.239.690	42.714.715
Current Period																			
1 January -30 September 2024																			
Opening Balance	335.456	21.199.309	12.283.240	(1.746.362)	10.536.878	10.536.878	2.186.646	(224.497)	(224.497)	82.647	82.647	2.044.796	1.702.593	11.182.300	1.969.465	13.151.765	48.970.797	6.542.970	55.513.767
Transfers	-	-	(94.931)	-	(94.931)	(94.931)	-	-	-	-	-	-	-	2.064.396	(1.969.465)	94.931	-	-	-
Total Comprehensive	-	-	-	(26.112)	(26.112)	(26.112)	(734.184)	138.848	138.848	(21.441)	(21.441)	(616.777)	-	-	(4.310.594)	(4.310.594)	(4.953.483)	209.266	(4.744.217)
Profit (Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.310.594)	(4.310.594)	(4.310.594)	177.022	(4.133.572)
Other Comprehensive Income (Loss)	-	-	-	(26.112)	(26.112)	(26.112)	(734.184)	138.848	138.848	(21.441)	(21.441)	(616.777)	-	-	-	-	(642.889)	32.244	(610.645)
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(291.499)	(291.499)
Closing Balance	335.456	21.199.309	12.188.309	(1.772.474)	10.415.835	10.415.835	1.452.462	(85.649)	(85.649)	61.206	61.206	1.428.019	1.702.593	13.246.696	(4.310.594)	8.936.102	44.017.314	6.460.737	50.478.051

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VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS
1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		(4.712.401)	9.150.025
Loss for the Period		(4.133.572)	(559.277)
Loss from Continuing Operations		(4.133.572)	(559.277)
Adjustments to Reconcile Profit for the Period		9.257.714	4.492.888
Adjustments for Depreciation and Amortisation Expense	13	3.978.686	4.886.603
Adjustments for Impairment Loss			
(Reversal of Impairment Loss)		27.968	(55.997)
Reversal of Impairment Loss of Receivables	8,9	(17.193)	(181.079)
Adjustments for Impairment Loss			
of Inventories	10	45.161	125.082
Adjustments for Provisions		1.254.708	1.512.521
Adjustments for Provisions Related with			
Employee Benefits	18	475.237	270.127
Adjustments for (Reversal of) Lawsuit and/or			
Penalty Provisions		1.552	(1.649)
Adjustments for Warranty Provisions		751.974	726.361
Adjustments for Other Provisions		25.945	517.682
Adjustments for Interest Expenses		4.450.306	2.821.137
Adjustments for Interest Income	23	(3.776.057)	(2.944.072)
Adjustments for Interest Expense	23	8.226.363	5.765.209
Adjustments for Unrealised Foreign			
Exchange Gains		(2.852.248)	(8.211.209)
Adjustments for Fair Value Gains		(181.038)	(322.440)
Adjustments for Fair Value Gains on			
Derivative Financial Instruments		(181.038)	(322.440)
Adjustments for Gains From Investments Accounted for Using Equity Method		1.593.627	837.683
Adjustments for Tax Expenses		1.996.941	3.411.611
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		81.895	(40.462)
Adjustments for Losses (Gains) Arised from Sale of Tangible Assets		81.895	(40.462)
Other Adjustments to Reconcile Profit	5	8	16
Monetary Gain		(1.093.139)	(346.575)

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS
1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023
Changes in Working Capital		(9.467.562)	6.042.856
Decrease (Increase) in Financial Asset		97.688	(96.815)
Adjustments for Increase in Trade Accounts Receivable		(4.310.385)	(5.401.050)
Increase in Trade Accounts Receivables from Related Parties		(349.111)	(408.820)
Increase in Trade Accounts Receivables from Third Parties		(3.961.274)	(4.992.230)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(149.362)	337.145
Decrease (Increase) in Other Third Party Receivables Related with Operations		(149.362)	337.145
Adjustments for Increase in Inventories		(9.694.984)	(15.912.207)
Decrease (Increase) in Prepaid Expenses		222.924	(954.570)
Adjustments for Increase in Trade Accounts Payable		3.178.687	26.144.301
Increase in Trade Accounts Payables to Related Parties		132.571	182.483
Increase in Trade Accounts Payables to Third Parties		3.046.116	25.961.818
Increase (Decrease) in Employee Benefit Liabilities		223.067	1.038.901
Adjustments for Increase in Other Operating Payables		166.394	39.001
Increase in Other Operating Payables to Third Parties		166.394	39.001
Increase in Deferred Revenue		1.163.392	169.180
Other Adjustments for Other Increase (Decrease) in Working Capital		(364.983)	678.970
Increase in Other Assets Related with Operations		(37.178)	(631.453)
Increase (Decrease) in Other Payables Related with Operations		(327.805)	1.310.423
Cash Flows from (used in) Operations		(4.343.420)	9.976.467
Payments Related with Provisions for Employee Benefits	18	(337.485)	(692.644)
Income Taxes Paid	24	(31.496)	(133.798)

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS
1 JANUARY – 30 SEPTEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

	Notes	1 January - 30 September 2024	1 January - 30 September 2023
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(7.941.183)	(8.807.193)
Proceeds from sales of Shares Without		-	1.172.269
Change in Control of Subsidiaries or Other Businesses			
Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses		(232.020)	-
Cash Outflows Arising from Purchase of Shares or Capital Increase of Associates		(60)	(231.920)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		(65.068)	47.050
Proceeds from Sales of Property, Plant and Equipment		(65.068)	47.050
Purchase of Property, Plant, Equipment and Intangible Assets		(5.266.010)	(6.100.798)
Purchase of Property, Plant and Equipment	13	(3.098.430)	(4.107.135)
Purchase of Intangible Assets	15	(2.167.580)	(1.993.663)
Cash Advances and Loans		(2.378.025)	(3.693.794)
Cash Advances and Loans Made to Related Parties		(2.213.969)	(3.563.887)
Cash Advances and Loans Made to Third Parties		(164.056)	(129.907)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		15.106.364	(416.793)
Proceeds from Borrowings	6	65.160.661	29.665.000
Proceeds from Loans		42.786.161	26.124.576
Proceeds from Issued Debt Instruments		22.374.500	3.540.424
Repayments of Borrowings		(41.974.688)	(24.851.354)
Loan Repayments	6	(37.960.027)	(23.421.740)
Issued bonds repayments	6	(3.767.570)	(1.429.614)
Cash Outflows from Other Financial Liabilities		(247.091)	-
Changes of Lease Liabilities		(293.380)	(302.639)
Interest Paid		(7.548.094)	(4.881.171)
Interest Received		53.364	108.728
EFFECT OF MONETARY GAIN / LOSS ON CASH AND CASH EQUIVALENTS		(979.023)	(1.203.634)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		1.473.757	(1.277.595)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		156.142	47.458
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1.629.899	(1.230.137)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	3.117.534	3.475.195
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4.747.433	2.245.058

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

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 1 – GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi (“Vestel Elektronik” or “the Company”) and its subsidiaries (together “the Group”), mainly produce and sell a range of brown goods and white goods.

The Company’s head office is located at Levent 199, Büyükdere Caddesi No: 199, 34394 Şişli / İstanbul. The Group’s production facilities are located in Manisa Organized Industrial Zone and İzmir Aegean Free Zone.

The ultimate controller of the Company is Zorlu Holding.

Vestel Elektronik is registered to Capital Market Board (“CMB”) and its shares have been quoted to Borsa İstanbul (“BİST”) since 1990. As of 30 September 2024, 47,23% of the Company’s shares are publicly traded (31 December 2023: 44,31%).

As of 30 September 2024 the number of personnel employed at the Group is 19.500 (31 December 2023: 19.304).

The Company’s subsidiaries and associates are as follows:

Subsidiaries	Country	Nature of operations
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	Turkey	Production
Vestel Mobilite Sanayi ve Ticaret A.Ş. (*)	Turkey	Production
Vestel Ticaret A.Ş.	Turkey	Sales
Vestel CIS Ltd.	Russia	Sales
Vestel Electronica SRL	Romania	Sales
Vestel Holland B.V. Iberia Branch Office	Spain	Sales
Vestel France SA	France	Sales
Vestel Holland BV	Holland	Sales
Vestel Holland B.V. Germany Branch Office	Germany	Sales
Cabot Communications Ltd.	UK	Software
Vestel UK Ltd.	UK	Sales
Vestel Holland B.V. UK Branch Office	UK	Sales
Vestek Elektronik Araştırma Geliştirme A.Ş.	Turkey	Software
Vestel Trade Ltd.	Russia	Sales
Vestel Electronics Shanghai Trading Co. Ltd	China	Service
Intertechnika LLC	Russia	Service
Vestel Central Asia LLP	Kazakhstan	Sales
Vestel Ventures Ar-ge A.Ş.	Turkey	Service
Vestel Holland B.V. Poland Branch Office	Poland	Sales
Vestel Electronics Gulf DMC	UAE	Sales
Vestel U.S.A.	United States	Sales
Cylinda AB (**)	Sweden	Sales

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 1 – GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Cont’d)

(*) Vestel Ticaret A.Ş., which is Group’s subsidiary, transferred all of its 6.886.735 shares, each with a nominal value of 1 Turkish Lira, which is the owner of Vestel Mobilite Sanayi ve Ticaret A.Ş. which is Group’s subsidiary, to Vestel Elektronik Sanayi ve Ticaret A.Ş. for a consideration of 1.442.000 TL on 28 June 2024.

(**) As of 31 May 2024, by making adjustments for financial and commercial liabilities the acquisition and transfer of all shares held by Elektroskandia Sverige AB in Cylinda AB, representing Cylinda AB's share capital of 25.000 Swedish Krona (SEK), each with nominal value of 1 Swedish Krona (SEK) totaling 25.000 shares, for a total consideration of 69.464.282 Swedish Krona (SEK) (6,08 million EUR) by Group’s subsidiary, Vestel Holland B.V. through payment of the share purchase price in cash and upfront are completed on 4 June 2024.

Associates	Country	Nature of operations
Lentatek Uzay Havacılık ve Teknoloji A.Ş.	Turkey	Production/ Sales
Aydın Yazılım Elektronik ve Sanayi A.Ş.	Turkey	Software
Meta Nikel Kobalt Madencilik San. ve Tic. A.Ş. ("Meta")	Turkey	Mining
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. ("TOGG")	Turkey	Automotive

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Statement of compliance

The accompanying condensed consolidated interim financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, “Principals of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS” / “TFRS”) and its addendum and interpretations (“IFRIC”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POAASA” or “POA”) Turkish Accounting Standards Board.

The Company and its subsidiaries operating in Turkey maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The consolidated financial statements have been prepared in Turkish Lira on the basis of historical cost, except for land, buildings and land improvements from the tangible assets group shown at their fair value, and financial assets and liabilities shown at their fair value.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

The Group prepared its condensed consolidated interim financial statements for the period ended 30 September 2024 in accordance with ("TAS") 34 "Interim Financial Reporting" in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed consolidated interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

Enterprises are free to prepare interim financial statements as a full set or as a summary in accordance with the TAS 34 standard. In this context, the Group has chosen to prepare summary financial statements in the interim periods. The condensed consolidated interim financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA and in the Financial Statement Samples and User Guide published by the CMB.

The condensed consolidated interim financial statements do not include all the information required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2023.

Consolidated subsidiaries operating in foreign countries have prepared their financial statements in accordance with the laws and regulations of the countries in which they operate with the required adjustments and reclassifications reflected in accordance with CMB Financial Reporting Standards. These financial statements are based on the statutory records which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

The Group has prepared its financial statements for the year dated 31 December 2023 and ending on the same date, by applying TAS 29 "Financial Reporting in High Inflation Economies" Standard, based on the announcement made by the POA on 23 November 2023 and the "Implementation Guide on Financial Reporting in High Inflation Economies" published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period.

In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period. For this reason, the group has presented its financial statements as of 30 September 2023 and 31 December 2023 on the basis of purchasing power as of 30 September 2024.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.1 Statement of compliance (Cont'd)

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 shall comply with the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying.

Rearrangements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of 30 September 2024, the indices and correction coefficients used in the correction of financial statements are as follows:

<u>Date</u>	<u>Index</u>	<u>Correction Coefficient</u>	<u>Three-Year Compound Inflation Rate</u>
30 September 2024	2.526,16	1,000	343%
31 December 2023	1.859,38	1,3586	268%
30 September 2023	1.691,04	1,4938	254%

The main elements of the Group's adjustment for financial reporting purposes in high-inflation economies are as follows:

- Current period financial statements prepared in TL are expressed in purchasing power at the balance sheet date, and amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of nonmonetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 were applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items included in the statement of comprehensive income, except for non-monetary items in the balance sheet that have an impact on the statement of comprehensive income, are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position gains/(losses) account in the consolidated income statement.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.2 Currency used

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The condensed consolidated interim financial statements are presented in Turkish Lira ("TL"), which is the functional currency of the parent company.

ii) Transactions and balances

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from the settlement and translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow and net investment which are included under shareholders' equity.

iii) Translation of financial statements of subsidiaries operating in foreign countries

Assets and liabilities of subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction).

Exchange differences arising from using average and balance sheet date rates are included in "exchange differences on translation" under the shareholders' equity.

2.1.3 Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries from the date on which the control is transferred to the Group until the date that the control ceases. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TFRS Financial Reporting Standards by applying uniform accounting policies and presentation.

a) Subsidiaries

The Group has control over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity's returns.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.3 Basis of consolidation (Cont'd)

a) Subsidiaries (Cont'd)

On the other hand, the Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In order to be consistent with accounting policies accepted by the Group, accounting policies of the subsidiaries are modified where necessary.

The balance sheet and statement of income of the subsidiaries are consolidated on a line-by-line basis and all material intercompany payable /receivable balances and sales / purchase transactions are eliminated. The carrying value of the investment held by Vestel Elektronik and its subsidiaries is eliminated against the related shareholders' equity.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as "non-controlling interest" in the condensed consolidated statements of comprehensive income and the condensed consolidated statements of changes in shareholders' equity.

As of the balance sheet date, consolidated companies and the proportion of ownership interest of Vestel Elektronik in these subsidiaries are disclosed in note 3.

Financial assets in which the Group has direct or indirect voting rights equal to or above 50% which are immaterial to the Group financial results or over which a significant influence is not exercised by the Group are carried at cost less any provisions for impairment.

b) Investments in associates

Investments in associates are accounted for by the equity method and are initially recognized at cost. These are entities in which the Group has an interest which is more than 20% and less than 50% of the voting rights or over which a significant influence is exercised. Unrealized gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associates, whereas unrealized losses are eliminated unless they do not address any impairment of the asset transferred. Net increase or decrease in the net assets of associates is included in the consolidated statements of comprehensive income in regards with the Group's share.

The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.3 Basis of consolidation (Cont'd)

b) Investments in associates (Cont'd)

After the Group's interest in the associates becomes nil, additional losses are provided for, and a liability recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses not recognized.

The carrying amounts of the investments accounted for using the equity method are reviewed whether there is any indication of impairment at each reporting date. If such an indicator exists, the recoverable amount of the asset is estimated.

The recoverable amount of the investments accounted for using the equity method refers to the higher of value-in-use or fair value less cost to sell. Value-in-use is the present value of future cash flows expected to be generated from an asset or cash generating unit.

If the carrying amount of the investments accounted for using the equity method exceeds the recoverable amount, the impairment is accounted for. Impairments are recognized in profit and loss accounts. Impairments are recorded in the statement of profit or loss and other comprehensive income.

In investments accounted for using the equity method, impairments allocated in previous periods are reevaluated in each reporting period in the event that impairment decreases or there are indicators that impairment is not valid. Impairment is reversed in case of changes in the estimates used when determining recoverable amount. The increase in the carrying amount of the investments due to the reversal of the impairment loss is accounted in such a way that it does not exceed the carrying amount determined if the impairment loss has not been included in the consolidated financial statements in the previous years.

Financial assets in which the Group's total direct and indirect shareholding is below 20% or in which the Group does not have significant influence, traded in organized markets and whose fair value can be determined reliably are financial assets whose fair value difference is reflected in other comprehensive income in the consolidated financial statements are classified as financial assets.

Shares of shareholders with non-controlling interests in the net assets and operating results of Subsidiaries are shown as "non-controlling interests" in the consolidated statement of financial position and consolidated statement of profit or loss.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.1 Basis of presentation (Cont'd)

2.1.3 Basis of consolidation (Cont'd)

b) Investments in associates (Cont'd)

As of 30 September 2024, the Group's Meta Nikel Kobalt Madencilik San. ve Tic. A.Ş., Lentatek Uzay Havacılık ve Teknoloji A.Ş., Aydın Yazılım Elektronik ve Sanayi A.Ş. are recognized as zero in the consolidated balance sheet by evaluating their net asset position. (31 December 2023: Zero) The Group has not any capital completion commitment for these companies.

2.2 Netting / Offsetting

All items that are significant in terms of content and amount are shown separately in the financial statements, even if they are similar in nature. Amounts that are not material are shown by aggregating items that are similar in terms of their principles or functions. As a result of the nature of the transaction and event requiring offsetting, showing this transaction and event over their net amounts or monitoring the assets at their amounts after deducting impairment is not considered a violation of the non-offsetting rule. Income obtained by the Group as a result of transactions carried out in the normal course of business, other than the income defined in the section titled "Revenue", are shown at their net value, provided that they comply with the essence of the transaction or event.

2.3 Comparative information

Consolidated financial statements of the Group have been prepared comparatively with the preceding financial period, in order to enable determination of trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the consolidated financial statements.

2.4 Restatement and errors in the accounting estimates

Major changes in accounting policies are applied retrospectively and any major accounting errors that have been detected are corrected and the financial statements of the previous period are restated. Changes in accounting policies resulting from the initial implementation of a new standard, if any, are implemented retrospectively or prospectively in accordance with the transition provisions. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Amendments in Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of 30 September 2024:

Amendment to TFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to TAS 1 – Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

TFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

TFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

On 29 December 2023, the Public Oversight Authority (POA) published a Board Decision in the Official Gazette, announcing that certain businesses will be subject to mandatory sustainability reporting starting from 1 January 2024. The companies included in the scope of the sustainability application are determined in order to identify the businesses that will be subject to sustainability reporting within the scope of the "Board Decision on the Determination of Businesses Subject to Sustainability Reporting Within the Scope of the Application of Turkey Sustainability Reporting Standards (TSRS)" dated 5 January 2024.

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of TL as of 30 September 2024 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Amendments in Turkish Financial Reporting Standards (Cont'd)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2024:

Amendments to TAS 21 Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.

Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

TFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Amendments in Turkish Financial Reporting Standards (Cont'd)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2024 (Cont'd):

IFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19.

IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

2.6 Going concern

The Company prepared financial statements in accordance with the going concern assumption.

2.7. Summary of significant accounting policies

Summary financial statements for the interim period ending on 30 September 2024 have been prepared in accordance with the TAS 34 standard for the preparation of interim financial statements. The significant accounting policies used in preparing the summary financial statements are consistent with the accounting policies explained in detail in the financial statements dated 31 December 2023. Therefore, interim financial statements should be evaluated together with the financial statements for the year ending 31 December 2023.

2.8. Critical accounting estimates and judgments

The frequency of revaluations is determined to ensure that the carrying amounts of the revalued items of property, plant and equipment are not materially different from their fair values at the end of the reporting period. The frequency of revaluations depends on the change in the fair value of the items of property, plant and equipment.

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NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.8. Critical accounting estimates and judgments (Cont'd)

Where the fair value of a revalued asset is considered to be materially different from its carrying amount, the revaluation is required to be repeated and this is done for the entire asset class in which the revalued asset is included as of the same date. On the other hand, it is not considered necessary to repeat the revaluation of property, plant and equipment whose fair value changes are insignificant.

In this context, as a result of the assessments made by the Company management and received from an independent real estate appraisal firm, it is assumed that the fair values of land, buildings and land improvements determined in the valuation studies performed as of 31 December 2023 will converge to their respective fair values as of 30 September 2024 after deducting current period depreciation and the CPI change in the related interim period.

The Company management takes into consideration the guarantees received from customers, past collection performances, maturity analysis, disputes or lawsuits regarding receivables while evaluating the recoverability of trade receivables. As a result of all these evaluations, the determination of doubtful receivables and the determination of the amount of provisions allocated for these receivables also includes the assumptions and estimates of the management.

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NOTE 3 – INTERESTS IN OTHER ENTITIES

Subsidiaries:

As of 30 September 2024 and 31 December 2023 the Group's significant subsidiaries are as follows:

Consolidated subsidiaries	Currency	30 September 2024		31 December 2023	
		Voting rights	Effective ownership	Voting rights	Effective ownership
Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş.	TL	77,3	77,3	77,3	77,3
Vestel Mobilite Sanayi ve Ticaret A.Ş.	TL	100	100	100	100
Vestel Ticaret A.Ş.	TL	100	100	100	100
Vestel CIS Ltd.	RUB	100	100	100	100
Vestel Holland B.V. Iberia Branch Office	EUR	100	100	100	100
Vestel France SA	EUR	100	100	100	100
Vestel Holland B.V.	EUR	100	100	100	100
Vestel Holland B.V. Germany Branch Office	EUR	100	100	100	100
Cabot Communications Ltd.	GBP	90,8	90,8	90,8	90,8
Vestel UK Ltd.	GBP	100	100	100	100
Vestel Holland B.V. UK Branch Office	GBP	100	100	100	100
Vestek Elektronik Araştırma Geliştirme A.Ş.	TL	100	100	100	100
Vestel Trade Ltd.	RUB	100	100	100	100
Intertechnika LLC	RUB	99,9	99,9	99,9	99,9
Vestel Central Asia LLP	KZN	100	100	100	100
Vestel Holland B.V. Poland Branch Office	PLN	100	100	100	100
Vestel Electronics Gulf DMC	AED	100	100	100	100
Vestel Electronics Shanghai Trading Co. Ltd.	CNY	100	100	100	100
Vestel Electronica SRL	RON	100	100	100	100
Vestel USA	USD	100	100	100	100
Vestel Ventures Ar-ge A.Ş.	USD	100	100	100	100
Cylinda AB	SEK	100	100	-	-

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NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)

Financial information of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş which is not wholly owned by the Group and has significant non-controlling interests is as follows.

	30 September 2024	31 December 2023
Accumulated non-controlling interests	6.460.737	6.542.970
	1 January -	1 January -
	30 September 2024	30 September 2023
Comprehensive income attributable to non-controlling interests	209.266	1.160.036

The financial statements of the subsidiary are adjusted to include the effects of revaluation of property, plant and equipment in accordance with the Group's accounting policies applied in preparation of the consolidated financial statements.

Condensed balance sheet:

	30 September 2024	31 December 2023
Current assets	32.312.882	35.996.675
Non-current assets	34.147.635	33.175.295
Current liabilities	(33.243.081)	(34.252.479)
Non-current liabilities	(4.718.376)	(5.587.544)
Net assets	28.499.060	29.331.947

VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 3 – INTERESTS IN OTHER ENTITIES (Cont'd)

Condensed statement of comprehensive income:

	1 January - 30 September 2024	1 January - 30 September 2023
Net sales	54.048.804	62.989.601
Income before tax	278.198	6.768.946
Tax benefit / (expense)	32.521	(1.629.795)
Net income for the period	310.719	5.139.151
Total comprehensive income	452.951	5.383.075

Condensed statement of cash flows:

	1 January - 30 September 2024	1 January - 30 September 2023
<u>Operating activities:</u>		
Changes in working capital	(1.044.976)	1.700.543
Net cash provided by operating activities	3.269.636	7.246.745
<u>Investing activities:</u>		
Net cash used in investing activities	(3.174.458)	(3.028.237)
<u>Financing activities:</u>		
Proceeds from bank borrowings	8.068.522	4.026.078
Repayment of bank borrowings	(3.139.803)	(6.243.340)
Net cash used in financing activities	(618.090)	(4.637.275)
Cash and cash equivalents at the beginning of the period	991.125	1.295.601
Cash and cash equivalents at the end of the period	206.598	445.787

Other financial information of Group's subsidiaries are not presented on the grounds of materiality.

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NOTE 4 - SEGMENT REPORTING

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Group Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategic decisions.

Considering the fact that the Group's risks and rate of returns are dissimilar between product types and between geographical areas, The Group management uses industrial segments as primary reporting format and geographical segments as secondary reporting format. Gross profitability is taken into account in the performance of the segments.

Industrial segments

	Consumer and mobility electronics	Household appliances	Total
1 January -30 September 2024			
Revenue	33.789.450	65.363.536	99.152.986
Cost of sales	(28.086.011)	(47.525.195)	(75.611.206)
Gross profit	5.703.439	17.838.341	23.541.780
Depreciation and amortization	2.050.244	1.928.442	3.978.686
1 January -30 September 2023			
Revenue	39.061.819	73.460.365	112.522.184
Cost of sales	(34.658.082)	(54.310.385)	(88.968.467)
Gross profit	4.403.737	19.149.980	23.553.717
Depreciation and amortization	2.825.310	2.061.293	4.886.603

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NOTE 4 - SEGMENT REPORTING (Cont'd)

	Consumer and mobility electronics	Household appliances	Total
1 July-30 September 2024			
Revenue	10.959.176	22.575.860	33.535.036
Cost of sales	(8.432.149)	(16.862.069)	(25.294.218)
Gross profit	2.527.027	5.713.791	8.240.818
Depreciation and amortization	329.454	478.734	808.188
1 July-30 September 2023			
Revenue	16.761.868	23.494.381	40.256.249
Cost of sales	(15.128.533)	(15.770.039)	(30.898.572)
Gross profit	1.633.335	7.724.342	9.357.677
Depreciation and amortization	499.684	596.288	1.095.972

Capital expenditure

	Consumer and mobility electronics	Household appliances	Total
1 January -30 September 2024	1.967.353	3.298.657	5.266.010
1 January -30 September 2023	2.353.606	3.747.192	6.100.798

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NOTE 4 - SEGMENT REPORTING (Cont'd)

Geographical segments:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Turkey	45.693.426	45.339.063	15.074.206	15.995.370
Europe	50.609.688	62.215.834	17.957.631	23.129.128
Other	11.899.461	13.892.070	3.870.972	4.289.389
Gross segment sales	108.202.575	121.446.967	36.902.809	43.413.887
Discounts (-)	(9.049.589)	(8.924.783)	(3.367.773)	(3.157.638)
Revenue	99.152.986	112.522.184	33.535.036	40.256.249

The amount of export for the period 1 January - 30 September 2024 is TL 62.509.149 (1 January - 30 September 2023: TL 76.107.904). Export sales are denominated in EUR, USD and other currencies as 70%, 20%, and 10% of total exports respectively (1 January - 30 September 2023: 70% EUR, 22% USD, 8% other).

The carrying value of segment assets and costs incurred in order to obtain these assets are not separately disclosed since significant portion of assets of the Group are located in Turkey.

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NOTE 5 - CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash	55.238	19.639
Bank deposits		
- Demand deposits	4.301.059	2.803.103
- Time deposits	294.780	124.037
Cheques and notes	19.019	21.274
Other	77.337	149.481
	4.747.433	3.117.534
Blocked deposits	22	30
Cash and cash equivalents	4.747.455	3.117.564

Effective interest rates

	30 September 2024	31 December 2023
TL	%35,00	%34,45
RUB	-	%10,00
EUR	%23,00	-

The Group has time deposits amounting to TL 180.266 and EUR 3.000 (31 December 2023: TL 75.250 and RUB 48.500). As of 30 September 2024 and 31 December 2023 the Group's time deposits have an average maturity of less than 3 months.

The credit risks of the banks where the Group has deposits are evaluated based on independent data and no significant credit risk is expected. The fair values of cash and cash equivalents approximate their carrying values, including accrued income, at the balance sheet date.

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NOTE 6 – FINANCIAL LIABILITIES

	30 September 2024	31 December 2023
Short term financial liabilities		
Short term bank loans	28.776.740	27.555.174
Short term portion of long term bank loans	1.615.120	3.837.597
Short term portion of long term issued bonds (*)	3.401.700	2.536.866
Short term portion of long term lease liabilities	264.115	313.786
Short term issued bonds (*)	3.452.912	2.286.135
	37.510.587	36.529.558
Long term financial liabilities		
Long term bank loans	1.119.119	2.537.160
Long term lease liabilities	692.445	903.152
Long term issued bonds (*)	16.026.295	-
	17.837.859	3.440.312

* The maturity of the commercial papers with the ISIN code TRSVSTLK2421, with a maturity of 379 days and a payment every 3 months, amounting to 460.000 TL, which was issued by the Group to qualified investors on 19 October 2023, is 1 November 2024 and the annual simple interest rate of the coupon has been determined as 56%.

* The maturity of the commercial papers with the ISIN code TRSVSTLK2413, with a maturity of 395 days and a quarterly payment, in the amount of 300.000 TL, which was issued to qualified investors on 3 October 2023, is 1 November 2024 and the annual simple interest rate of the coupon has been determined as 59%.

* The maturity of the bond with the ISIN code TRSVSTLA2415, with a maturity of 379 days and a quarterly payment amounting to 517.000 TL, which was issued to qualified investors on 22 November 2023, is 5 December 2024 and the annual simple interest rate of the coupon has been determined as 56%.

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

* The maturity date of the bond with the ISIN code TRFVSTL2418, with a maturity of 167 days, a single coupon payment and an amount of 400.000 TL, which was issued to qualified investors on 6 June 2024, is 20 November 2024 and the annual simple interest rate of the coupon has been determined as 55%.

* The maturity of the bond with the ISIN code TRSVSTL22511, with a maturity of 384 days and a quarterly payment, amounting to 370.000 TL, which was issued to qualified investors on 7 February 2024, is 26 February 2025 and the annual simple interest rate of the coupon has been determined as 56%.

* The maturity date of the bond with the ISIN code TRFVSTLK2426, amounting to TL 360.000, with a maturity of 139 days, a single coupon payment, issued to qualified investors on 4 July 2024 is 20 November 2024 and the annual simple interest rate of the coupon has been determined as 52%.

* The maturity date of the bond with the ISIN code TRFVESTA2419, with a maturity of 295 days and a quarterly payment, amounting to 556.430 TL, which was issued to qualified investors on 21 February 2024, is 12 December 2024 and the annual simple interest rate of the coupon has been determined as 56%.

* The maturity date of the bond with the ISIN code TRFVESTK2417, amounting to TL 455.000, with a maturity of 113 days, a single coupon payment, issued to qualified investors on 17 July 2024 is 7 November 2024 and the annual simple interest rate of the coupon has been determined as 53%.

* The maturity date of the bond with the ISIN code TRFVEST22513, amounting to TL 200.000, with a maturity of 175 days, a single coupon payment, issued to qualified investors on 21 August 2024 is 12 February 2025 and the annual simple interest rate of the coupon has been determined as 52%.

* The maturity date of the bond with the ISIN code TRFVSTL12519, amounting to TL 209.000, with a maturity of 161 days, a single coupon payment, issued to qualified investors on 21 August 2024 is 29 January 2025 and the annual simple interest rate of the coupon has been determined as 52%.

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

* The maturity date of the bond with the ISIN code TRFVSTL12527, amounting to TL 220.000, with a maturity of 161 days, a single coupon payment, issued to qualified investors on 21 August 2024 is 29 January 2025 and the annual simple interest rate of the coupon has been determined as 52%.

* The maturity date of the bond with the ISIN code TRFVSTL22521, amounting to TL 800.000, with a maturity of 147 days, a single coupon payment, issued to qualified investors on 18 September 2024 is 12 February 2025 and the annual simple interest rate of the coupon has been determined as 53%.

* The Group issued a bond with a fixed interest payment coupon every 6 months, quoted on the Irish Stock Exchange, amounting to a total of USD 500 million, USD 450 million on 15 May 2024 and USD 50 million on 6 June 2024. The maturity of the bond is 15 May 2029 and the coupon interest rate is 9,75%. Vestel Mobilite Sanayi ve Ticaret A.Ş and Vestel Ticaret A.Ş are guarantors in issued bonds.

The Group has fulfilled its financial commitments arising from its borrowings as of 30 September 2024 and 2023.

Details of the Group's short term bank loans are given below:

	30 September 2024			31 December 2023		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
- USD	%9,32	264.149	9.029.273	%10,48	317.322	12.714.134
- EUR	%8,19	158.235	6.050.938	%10,12	105.507	4.677.628
- TL	%31,91	13.696.529	13.696.529	%37,80	9.338.183	9.338.183
- CNY	-	-	-	%7,96	145.484	825.229
			28.776.740			27.555.174

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

Details of the Group's long term bank loans are given below:

	30 September 2024			31 December 2023		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest	Original currency	TL Equivalent
- USD	%10,66	36.030	1.231.595	%11,03	28.587	1.145.395
- EUR	-	-	-	%10,96	14.190	629.111
- TL	%22,41	383.525	383.525	%29,96	2.063.091	2.063.091
Short term portion			1.615.120			3.837.597
- USD	-	-	-	%11,21	15.690	628.651
- EUR	-	-	-	%10,96	6.135	271.994
- TL	%20,65	1.119.119	1.119.119	%20,65	1.636.515	1.636.515
Long term portion			1.119.119			2.537.160
			2.734.239			6.374.757

Total amount of Group's floating bank loans is TL 15.591.457 (31 December 2023: TL 17.321.901).

A significant portion of long-term loans consists of loans used within the approval of the Investment Committed Advance Loan (YTAK) with a fixed interest rate, originating from the Central Bank.

The maturity schedule of Group's long term bank loans is given below:

	30 September 2024	31 December 2023
One to two years	327.723	1.338.387
Two years and more	791.396	1.198.773
	1.119.119	2.537.160

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NOTE 6 – FINANCIAL LIABILITIES (Cont'd)

Guarantees given for the bank loans obtained are presented in note 16.

Fair values of short-term bank borrowings are considered to approximate their carrying values due to immateriality of discounting. Fair values are determined using average effective annual interest rates. Long term bank borrowings and long term issued bonds are stated at amortized cost using effective interest rate method and their fair values are considered to approximate their carrying values since loans usually have a re-pricing period of six months.

As of 30 September 2024 and 2023, the Group's net financial debt reconciliation is shown below:

	30 September 2024	30 September 2023
Net financial debt as of 1 January	36.852.336	44.511.002
Cash inflows from loans and issued bonds	65.160.661	29.665.000
Cash outflows from loan and bonds payments	(41.727.597)	(24.851.354)
Changes of lease liabilities	(260.378)	(302.639)
Unrealized exchange gain	2.201.378	3.715.928
Changed interest	(568.802)	(795.290)
Change in cash and cash equivalents	(1.629.899)	1.230.138
Monetary loss	(9.426.686)	(14.551.402)
Net financial debt at the end of the period	50.601.013	38.621.383

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NOTE 7 – RELATED PARTY DISCLOSURES

a) Short term trade receivables from related parties

	30 September 2024	31 December 2023
ZES Dijital Ticaret A.Ş. (1)	29.116	34.169
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	285.120	523.569
Other related parties	453.471	62.522
	767.707	620.260

b) Short term trade payables to related parties

	30 September 2024	31 December 2023
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	30.477	23.770
Zorlu Holding A.Ş. (2)	80.112	54.841
Other related parties	120.100	74.268
	230.689	152.879

c) Other short term receivables from related parties

	30 September 2024	31 December 2023
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	1.010.937	1.208.224
	1.010.937	1.208.224

As of 30 September 2024, the Company's interest rate of short term other receivables in USD is 9%, and in TL is 55% (31 December 2023: in USD 8% and TL 50%).

(1) Zorlu Holding Group Company, (2) Parent (3) Subsidiary (4) Associates

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)

d) Other long term receivables from related parties

	30 September 2024	31 December 2023
Zorlu Holding A.Ş. (2)	13.388.796	15.395.106
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	14.211.657	13.666.556
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A. Ş. (4)	11.127.755	10.022.337
	38.728.208	39.083.999

As of 30 September 2024, the Company's interest rate of other receivables in USD is 9%, and in TL is 55% (31 December 2023: in USD 8% and TL 50%).

e) Long term prepayments to related parties

	30 September 2024	31 December 2023
Zorlu Enerji Elektrik Üretim A.Ş. (1)	2.538.510	2.556.525
Other	34.972	136.378
	2.573.482	2.692.903

f) Transactions with related parties

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Sales				
ZES Dijital Ticaret A.Ş. (1)	692.321	293.951	100.763	248.788
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (4)	1.061.991	521.660	304.970	394.824
Other related parties	44.600	47.367	11.817	15.209
	1.798.912	862.978	417.550	658.821

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)

f) Transactions with related parties (Cont'd)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Operating expenses				
Zorlu Holding A.Ş. (2)	507.394	393.403	195.183	120.977
ABH Turizm Temsilcilik ve Ticaret A.Ş. (1)	159.553	126.156	58.221	48.398
Other related parties	133.094	141.182	52.667	43.282
	800.041	660.741	306.071	212.657
	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Financial income				
Zorlu Holding A.Ş. (2)	2.922.706	6.336.847	509.659	1.235.546
Lentatek Uzay Havacılık ve Teknoloji A.Ş. (4)	3.419.961	5.688.869	1.036.348	1.204.074
Meta Nikel Kobalt Madencilik Sanayi ve Ticaret A.Ş. (4)	2.449.889	4.016.108	753.218	816.484
Other related parties	-	758.056	-	113.244
	8.792.556	16.799.880	2.299.225	3.369.348
Financial income from related parties consists of interest income and foreign exchange differences arising from financial liabilities.				
	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Financial expense				
Other related parties	4.029	5.154	1.293	2.238
	4.029	5.154	1.293	2.238

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NOTE 7 – RELATED PARTY DISCLOSURES (Cont'd)

f) Transactions with related parties (Cont'd)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Other income from operating activities				
Other related parties	885.533	712.553	398.124	138.287
Other expense from operating activities				
Other related parties	21.052	21.177	11.700	11.824

g) Guarantees received from and given to related parties are disclosed in note 16.

h) Compensation paid to key management including directors, the Chairman and members of Board of Directors, general managers and assistant general managers for the nine months period ended 30 September 2024 is TL 198.568 (1 January - 30 September 2023: TL 242.280).

i) Financing income from related parties consists of interest income arising from loans given for financing purposes.

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	30 September 2024	31 December 2023
Short term trade receivables		
Trade receivables		
- <i>Related parties (Note 7)</i>	767.707	620.260
- <i>Other parties</i>	19.993.039	21.345.956
Cheques and notes receivables	1.007.527	2.313.556
Other	73.077	110.184
	21.841.350	24.389.956
Allowance for doubtful receivables (-)	(157.492)	(171.625)
Total short term trade receivables	21.683.858	24.218.331

Long term trade receivables		
Cheques and notes receivables	266	1.116
Total long term trade receivables	266	1.116

	30 September 2024	31 December 2023
Short term trade payables		
Trade payables		
- <i>Related parties (Note 7)</i>	230.689	152.879
- <i>Other parties</i>	44.556.387	56.854.098
Other	7.476	7.866
Total short term trade payables	44.794.552	57.014.843
Long term trade payables		
Trade payables		
- <i>Other parties</i>	173.673	242.068
Total long term trade payables	173.673	242.068

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES

	30 September 2024	31 December 2023
Short term other receivables		
Receivables from public institutions	1.289.972	1.518.390
Receivables from related parties (Note 7)	1.010.937	1.208.224
Deposits and guarantees given	162.420	310.601
Other	32.962	27.513
	2.496.291	3.064.728
Allowance for doubtful receivables (-)	(211)	(302)
	2.496.080	3.064.426
Long term other receivables		
Deposits and guarantees given	29.538	28.010
Receivables from related parties (Note 7)	38.728.208	39.083.999
Other	40.514	29.032
	38.798.260	39.141.041
Allowance for doubtful receivables (-)	(8.278)	(11.247)
	38.789.982	39.129.794
Short term other payables		
Other payables		
- Other parties	<i>162.474</i>	<i>19.246</i>
	162.474	19.246
Deferred revenue		
- Other parties	2.110.112	1.452.552
	2.110.112	1.452.552

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NOTE 10 – INVENTORIES

	30 September 2024	31 December 2023
Raw materials	15.762.369	16.315.822
Work in process	663.711	784.204
Finished goods	14.723.861	13.766.085
Merchandise	1.423.709	1.514.773
Other	74.790	41.672
	32.648.440	32.422.556
Provision for impairment on inventories (-)	(536.536)	(480.493)
	32.111.904	31.942.063

Cost of the inventory included in the consolidated statement of comprehensive income in the period 1 January – 30 September 2024 is TL 62.784.594 (1 January – 30 September 2023: TL 76.471.070).

As of 30 September 2024, the Group does not have inventories pledged as security for liabilities (31 December 2023: None).

Movement of provision for impairment on inventories is as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance, 1 January	480.493	522.888
Current year additions	94.850	203.715
Realised due to sale of inventory	(49.689)	(78.633)
Currency translation differences	10.882	69.290
Balances at 30 September 2024	536.536	717.260

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NOTE 11 – PREPAID EXPENSES

	30 September 2024	31 December 2023
Prepaid expenses in current assets		
Order advances given	556.535	1.653.866
Prepaid expenses	756.799	404.735
Business advances given	11.886	11.793
	1.325.220	2.070.394
Prepaid expenses in non-current assets		
Advances given for fixed asset purchases	448.860	405.387
Prepaid expenses	384.167	82.097
	833.027	487.484

NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	30 September 2024		31 December 2023	
	%	Amount	%	Amount
Subsidiaries				
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	%23	6.371.052	%23	7.957.708
		6.371.052		7.957.708

Within the framework of Turkey's Automobile Project, following the work undertaken by the Joint Initiative Group, to which Group's controlling shareholder, Zorlu Holding AŞ was a party, Vestel Elektronik Sanayi ve Ticaret AŞ decided to participated with 19% share in "Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.", which was planned to be established to produce mainly electric passenger cars and carry out supporting activities. In this respect, the Shareholders Agreement and Articles of Association have been signed on 31 May 2018. Establishment of the new Group was completed on 28 June 2018.

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NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)

Within the scope of the decision taken at the Annual General Meeting of TOGG which was held on 31 May 2021, the Group's stake in TOGG has reached to 23%.

The movements of TOGG, which is an investment accounted for using the equity method during the period 1 January – 30 September 2024 and 2023 is as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
Balance at 1 January	7.957.708	5.130.486
Shares from profit / (loss)	(1.593.627)	5.884
Shares from other comprehensive income	6.911	56.220
Capital Increase	60	231.920
Balances at 30 September 2024	6.371.052	5.424.510

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Disposals	Currency translation differences	Transfers	30 September 2024
Cost or revaluation						
Land	18.613.365	33.182	-	(18.118)	-	18.628.429
Land improvements	586.457	-	-	(27.529)	1.202	560.130
Buildings	13.623.666	28.550	(171)	(349.336)	48.437	13.351.146
Leasehold improvements	1.881.984	5.591	(138)	(1.791)	366	1.886.012
Plant and machinery	45.390.869	1.066.108	(421.307)	(119.901)	328.790	46.244.559
Motor vehicles	87.336	1.252	(5.154)	(759)	16	82.691
Furniture and fixtures	7.808.880	412.502	(10.723)	(19.555)	19.154	8.210.258
Other tangible assets	18.787	-	-	-	-	18.787
Construction in progress	2.412.284	1.551.245	-	(788)	(401.964)	3.560.777
	90.423.628	3.098.430	(437.493)	(537.777)	(3.999)	92.542.789
Accumulated depreciation						
Land improvements	44.356	19.150	-	(8.264)	-	55.242
Buildings	532.460	552.051	(171)	(112.016)	-	972.324
Leasehold improvements	1.543.367	71.597	(138)	(4.524)	-	1.610.302
Plant and machinery	34.175.742	1.929.102	(408.565)	(129.718)	-	35.566.561
Motor vehicles	69.456	5.374	(3.639)	1.628	-	72.819
Furniture and fixtures	6.975.521	306.233	(9.333)	(17.271)	-	7.255.150
Other tangible assets	18.787	-	-	-	-	18.787
	43.359.689	2.883.507	(421.846)	(270.165)	-	45.551.185
Net book value	47.063.939					46.991.604

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	1 January 2023	Additions	Disposals	Currency translation differences	Transfers	30 September 2023
Cost or revaluation						
Land	7.151.297	-	-	(20.859)	-	7.130.438
Land improvements	622.557	624	-	(34.869)	-	588.312
Buildings	11.535.981	58.660	-	(406.406)	41.534	11.229.769
Leasehold improvements	1.745.691	117.435	-	(1.924)	8.675	1.869.877
Plant and machinery	42.463.956	1.684.281	(647.394)	(240.694)	244.645	43.504.794
Motor vehicles	80.052	5.620	(478)	(1.029)	-	84.165
Furniture and fixtures	7.411.728	252.062	(18.092)	(13.777)	42.412	7.674.333
Other tangible assets	18.787	-	-	-	-	18.787
Construction in progress	4.483.313	1.988.453	-	(865)	(340.992)	6.129.909
	75.513.362	4.107.135	(665.964)	(720.423)	(3.726)	78.230.384
Accumulated depreciation						
Land improvements	41.520	22.975	-	(8.421)	-	56.074
Buildings	578.077	459.584	-	(107.028)	-	930.633
Leasehold improvements	1.470.207	69.843	-	(1.341)	-	1.538.709
Plant and machinery	32.646.582	2.373.856	(642.816)	(232.831)	-	34.144.791
Motor vehicles	66.932	4.323	(478)	(910)	-	69.867
Furniture and fixtures	6.645.206	308.482	(17.430)	(13.684)	-	6.922.574
Other tangible assets	18.787	-	-	-	-	18.787
	41.467.311	3.239.063	(660.724)	(364.215)	-	43.681.435
Net book value	34.046.051					34.548.949

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Allocation of current year depreciation and amortization expenses is as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
Cost of sales	2.237.679	2.787.210
Operational expenses	1.723.316	2.083.903
Other operating expense (idle capacity depreciation expense)	17.691	15.490
	3.978.686	4.886.603

30 September 2024	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	18.628.429	-
Buildings and land improvements	-	13.911.276	-
31 December 2023	Level 1	Level 2	Level 3
Tangible Assets			
Lands	-	18.613.365	-
Buildings and land improvements	-	14.210.123	-

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NOTE 14 – RIGHT OF USE ASSETS

	1 January 2024	Additions	Disposals	30 September 2024
Cost				
Land and buildings	3.218.052	514.983	-	3.733.035
Motor vehicles	638.015	27.388	-	665.403
	3.856.067	542.371	-	4.398.438
Accumulated amortization				
Land and buildings	1.653.223	261.344	-	1.914.567
Motor vehicles	530.290	58.288	-	588.578
	2.183.513	319.632	-	2.503.145
Net book value	1.672.554			1.895.293
	1 January 2023	Additions	Disposals	30 September 2023
Cost				
Land and buildings	2.482.191	539.305	(15.140)	3.006.356
Motor vehicles	591.242	53.608	-	644.850
	3.073.433	592.913	(15.140)	3.651.206
Accumulated amortization				
Land and buildings	1.268.858	459.977	(3.105)	1.725.730
Motor vehicles	460.469	63.105	-	523.574
	1.729.327	523.082	(3.105)	2.249.304
Net book value	1.344.106			1.401.902

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NOTE 15 – INTANGIBLE ASSETS

	1 January		Currency translation			30 September
	2024	Additions	Disposals	differences	Transfers	2024
Cost						
Rights	815.666	274	-	(5.096)	-	810.844
Development cost	16.231.493	1.912.035	(153.183)	15.044	-	18.005.389
Other intangible assets	2.519.484	255.271	(1.461)	(5.987)	3.999	2.771.306
	19.566.643	2.167.580	(154.644)	3.961	3.999	21.587.539
Accumulated amortization						
Rights	685.131	27.461	-	(13.143)	-	699.449
Development cost	11.712.781	626.130	(153.183)	(11.087)	-	12.174.641
Other intangible assets	1.851.443	121.956	(281)	(6.364)	-	1.966.754
	14.249.355	775.547	(153.464)	(30.594)	-	14.840.844
Net book value	5.317.288					6.746.695
	1 January		Currency translation			30 September
	2023	Additions	Disposals	differences	Transfers	2023
Cost						
Rights	815.539	1.401	-	(1.546)	-	815.394
Development cost	14.312.482	1.861.537	-	-	-	16.174.019
Other intangible assets	2.341.620	130.725	(1.347)	(9.983)	3.726	2.464.741
	17.469.641	1.993.663	(1.347)	(11.529)	3.726	19.454.154
Accumulated amortization						
Rights	653.639	27.367	-	(1.416)	-	679.590
Development cost	10.576.499	1.016.759	-	-	-	11.593.258
Other intangible assets	1.772.357	80.332	-	(10.884)	-	1.841.805
	13.002.495	1.124.458	-	(12.300)	-	14.114.653
Net book value	4.467.146					5.339.501

Development costs incurred by the Group on development projects relating to television and electronic devices, refrigerators, split air conditioners, washing machines, cookers, drying machines and dish washers are capitalized as intangible assets.

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NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	30 September 2024	31 December 2023
Short term provisions		
Warranty and assembly provision	1.661.095	1.617.107
Other provisions	1.728.506	2.316.939
Provision for lawsuit risks	77.886	103.936
	3.467.487	4.037.982
Long term provisions		
Warranty and assembly provision	548.576	474.370
	548.576	474.370

As of 30 September 2024, the amount of provision provided for the cases for which the probability of losing the case is assessed to be high by the Group management and legal advisors is TL 77.886 (31 December 2023: TL 103.936).

b) Guarantees received by the Group

Guarantee letters, collaterals, cheques and notes received

	30 September 2024	31 December 2023
Guarantee letters	4.858.904	4.961.072
Cheques and notes	2.949.529	2.807.285
Collaterals and pledges	6.405.643	6.102.060
	14.214.076	13.870.417

The table above has been prepared based on the lower of the limits used or the amounts of guarantees received regarding the guarantees given by the Group.

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NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

c) Collaterals, pledges and mortgages and bails ("CPMB's") given by the Group

CPMB's given by the Group	USD ('000)	EUR ('000)	GBP ('000)	TL	TL Equivalent
30 September 2024					
A. CPMB's given on behalf of its own legal entity	509	2.135	-	5.823.007	5.922.049
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.593.284	181.237	60.400	20.493.383	118.840.246
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPMB's given	21.248	-	-	16.894	743.204
i. Total amount of CPMB's given on behalf of the parent company	-	-	-	-	-
ii. Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C.	21.248	-	-	16.894	743.204
iii. Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-
Total	2.615.041	183.372	60.400	26.333.284	125.505.499

(*) Fully consolidated subsidiaries have given collaterals to various financial institutions on behalf of each other for their forward contracts and for the total amount of loans utilized.

The table above has been prepared based on the lower of the limits used or the amounts of guarantees given regarding the guarantees given by the Group.

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NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

CPMB's given by the Group	USD ('000)	EUR ('000)	GBP ('000)	TL	TL Equivalent
31 December 2023					
A. CPMB's given on behalf of its own legal entity	509	2.135	-	4.102.177	4.217.226
B. CPMB's given on behalf of fully consolidated subsidiaries (*)	2.182.426	148.778	60.346	19.212.571	116.337.547
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-	-
D. Total amount of other CPMB's given	36.565	-	-	27.308	1.492.355
i. Total amount of CPMB's given on behalf of the parent company	-	-	-	-	-
ii. Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C.	36.565	-	-	27.308	1.492.355
iii. Total amount of CPMB's given on behalf of third parties which are not in scope of C.	-	-	-	-	-
Total	2.219.500	150.913	60.346	23.342.056	122.047.128

As of 30 September 2024, proportion of other CPMB's given by the Group to its equity is 1% (31 December 2023: 3%).

NOTE 17 – COMMITMENTS

As of the balance sheet date the Group has committed to realize exports amounting to USD 3.106.545 thousand (31 December 2023: USD 3.121.967 thousand) due to the export and investment incentive certificates obtained.

As of 30 September 2024, the Group has forward foreign currency purchase contract that amounts to, EUR 190.960 thousand, USD 364.321 thousand, SEK 13.556 thousand, GBP 88.012 thousand, PLN 7.399 thousand and TL 2.561.894, against forward foreign currency sales contract that amounts to EUR 250.719 thousand, GBP 68.876 thousand, PLN 38.508 thousand, RUB 828.225 thousand, USD 372.656 thousand, SEK 54.305 and TL 115.658 (31 December 2023: purchase contract that amounts to USD 1.068.802 thousand, EUR 227.544 thousand, GBP 135.899 thousand, PLN 21.625 thousand and CNY 156.580 thousand against forward foreign currency sales contract that amounts to USD 419.731 thousand, EUR 704.294 thousand, GBP 142.433 thousand, PLN 60.525 thousand, RUB 987.000, TL 4.029.267).

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NOTE 18 – EMPLOYEE BENEFITS

Liabilities for employee benefits:

	30 September 2024	31 December 2023
Due to personnel	702.250	694.463
Social security payables	409.024	545.198
	1.111.274	1.239.661

Long term provisions for employee benefits:

	30 September 2024	31 December 2023
Provision for employment termination benefits	1.767.401	2.147.753

Under Turkish law, the Group is required to pay employment termination benefits to each employee whose employment is terminated without due cause. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 6 March 1981, No.2422 and 25 August 1999, No.4447, the Group is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The amount payable is the equivalent of one month's salary for each year of service and is limited to a maximum of 41.828,42 TL/year as of 30 September 2024 (31 December 2023: 23.489,83 TL/year - at 31 December 2023 purchasing power).

Provision for employment termination benefits is not subject to any funding.

The provision is calculated by estimating the present value of the future obligation of the Group arising from retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined employee plans. Accordingly actuarial assumptions were used in the calculation of the total liability which are described below:

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NOTE 18 – EMPLOYEE BENEFITS (Cont'd)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. Consequently, in the accompanying financial statements as of 31 December 2023 the provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. As of 30 September 2024, provision is calculated based on real discount rate of 3,72% assuming 23,60% annual inflation rate and 49,25% discount rate. (31 December 2023: 23,60% inflation rate, 49,25% real discount rate, 3,72% discount rate)

The main assumption is that the seniority ceiling for each year of service increases in line with inflation. Thus, the discount rate applied represents the actual rate adjusted for the expected effects of inflation. The maximum liability is revised every six months, the maximum amount of TL 41.828,42 effective from 1 July 2024 has been taken into consideration in the calculation of provision for employment termination benefits as of 31 December 2023 and 30 September 2024.

The movement in the provision for employment termination benefit is as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
Balance at 1 January	2.147.753	2.775.891
Increase during the year	199.590	142.467
Payments during the year	(337.485)	(692.644)
Actuarial loss	41.353	318.782
Interest expense	275.647	127.660
Monetary loss	(559.457)	(842.295)
Balance at 30 September	1.767.401	1.829.861

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NOTE 19 – OTHER ASSETS AND LIABILITIES

	30 September 2024	31 December 2023
Other current assets		
VAT carried forward	255.653	64.876
Rebates from suppliers and incentives income accruals	177.462	190.678
Other	55.214	367.339
	488.329	622.893
Other current liabilities		
Taxes payables	951.126	1.682.592
Other	1.174.103	1.592.403
	2.125.229	3.274.995

NOTE 20 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid in capital

	30 September 2024	31 December 2023
Shares of par value Kr 1 each		
limit on registered share capital	2.000.000	2.000.000
Issued share capital	335.456	335.456

As of 30 September 2024 and 31 December 2023 the shareholding structures are as follows:

	Share		Amount	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Zorlu Holding A.Ş.	%52,77	%55,69	177.019	186.815
Other shareholders (Publicly Listed)	%47,23	%44,31	158.437	148.641
	%100	%100	335.456	335.456

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NOTE 20 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont'd)

b) Adjustment to share capital

Adjustment to share capital is the difference between restated share capital and historical share capital.

c) Share premium

Share premium account refers the difference between par value of the company's shares and the amount the company received for newly issued shares. The share premium account is disclosed under equity as a separate line item and may not be distributed. It may be used in capital increase.

d) Legal reserves

The legal reserves consist of first and second legal reserves appropriated in accordance with the Turkish Commercial Code ("TCC"). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. Under TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid in share capital.

	30 September 2024	31 December 2023
Legal reserves	1.702.593	1.702.593

	PPI - Indexed Legal Records	CPI Indexed Amounts	Differences Tracked in Past Years Profits / Losses
Capital Adjustment Gains / Losses	30.463.337	21.199.309	9.264.028
Appropriated Retained Earnings	2.385.753	1.702.593	683.160

e) Revaluation reserve

	30 September 2024	31 December 2023
Fair value gains on financial assets	61.206	82.647
Revaluation of property, plant and equipment	12.188.309	12.283.240
	12.249.515	12.365.887

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NOTE 21 – SALES

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Domestic sales	45.693.426	45.339.063	15.074.206	15.995.370
Export sales	62.509.149	76.107.904	21.828.603	27.418.517
Gross sales	108.202.575	121.446.967	36.902.809	43.413.887
Sales discounts (-)	(9.049.589)	(8.924.783)	(3.367.773)	(3.157.638)
Net sales	99.152.986	112.522.184	33.535.036	40.256.249
Cost of sales	(75.611.206)	(88.968.467)	(25.294.218)	(30.898.572)
Gross profit	23.541.780	23.553.717	8.240.818	9.357.677

NOTE 22 – OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

a) Other income from operating activities:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Overdue interest charges	1.257.476	531.861	597.697	20.404
Foreign exchange gains arising from trading activities	1.215.965	2.780.597	352.777	34.663
Other income	537.763	351.136	119.925	74.628
	3.011.204	3.663.594	1.070.399	129.695

b) Other expense from operating activities:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest expense on term purchases	1.844.174	1.116.594	645.612	466.123
Foreign exchange expenses arising from trading activities	6.395.020	13.023.120	1.885.269	1.336.751
Other expenses	556.313	810.983	131.726	307.695
	8.795.507	14.950.697	2.662.607	2.110.569

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NOTE 23 – FINANCIAL INCOME AND FINANCIAL EXPENSE

a) Financial income:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange gains	5.421.802	12.691.028	1.414.494	1.913.544
Gains on derivative financial instruments	940.481	3.236.305	400.855	1.191.068
Interest income	3.776.057	2.944.072	1.206.310	1.042.804
	10.138.340	18.871.405	3.021.659	4.147.416

b) Financial expense:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign exchange losses	4.460.710	7.324.793	1.646.369	1.042.982
Losses on derivative financial instruments	2.972.409	5.284.175	852.650	1.766.023
Interest expense	8.226.363	5.765.209	2.949.678	1.724.179
Commission and other finance expenses	1.588.411	1.049.939	596.660	371.341
	17.247.893	19.424.116	6.045.357	4.904.525

NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	30 September 2024	31 December 2023
Corporation and income taxes	38.655	193.074
Prepaid taxes (-)	(29.064)	(190.642)
Current income tax liabilities - net	9.591	2.432
Deferred tax liabilities	(3.322.790)	(1.729.164)
Deferred tax liabilities - net	(3.322.790)	(1.729.164)

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NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Pursuant to paragraph 1 of Article 6 of the Corporate Tax Law No. 5520, corporate tax is calculated on the net corporate income of the taxpayers for an accounting period. Pursuant to paragraph 2 of the same article, by taking into account the provisions of Income Tax Law No. 193 on commercial income, pure corporate income is calculated by adding legally unacceptable expenses to the commercial income and deducting the exempt earnings and discounts from the commercial income.

With the amendment made to Article 32 of the Corporate Tax Law No. 5520 with Article 21 of the Law No. 7456, corporate taxpayers other than banks, companies within the scope of the Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies are subject to corporate tax at the rate of 25% on their net corporate earnings in 2024 and the following taxation periods.

In addition to the corporate tax levied on corporate income, withholding income/corporate tax burden may arise if all or part of the profits of corporations are subject to profit distribution. By full taxpayer corporations;

- Full taxpayer real persons,
- For non-income and corporate taxpayers,
- For those exempt from income tax,
- Limited taxpayer real persons,
- Limited taxpayers exempt from income tax,
- Institutions exempt from corporate tax,
- To limited taxpayer corporations or limited taxpayers exempt from corporate tax, except for those who obtain dividends through a place of business or permanent representative in Turkey,

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NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

In case of dividend distribution, 10% withholding income/corporate tax is payable. According to the Turkish tax legislation, capitalization of profit is not considered as dividend distribution.

Corporations are exempt from corporate tax on 75% of the gains arising from the sale of participation shares included in their assets for at least two full years and 25% of the gains arising from the sale of immovables included in their assets on 15 July 2023 for the same period. As of 15 July 2023, corporate tax exemption is not applied to the gains arising from the sale of immovables taken into assets.

Under Turkish tax legislation, tax losses carried forward can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be offset against retained earnings.

However, tax authorities may examine the accounting records within five years and the amount of tax payable may change if incorrect transactions are detected.

Earnings from the Company's investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be utilized. Where it is probable that taxable income will be available, deferred tax assets are recognized in respect of deductible temporary differences, tax losses and tax advantages arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax.

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NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

Deferred tax assets and liabilities

For the periods 30 September 2024 and 2023, tax expenses recognized in the statement of comprehensive income are as follows;

	1 January - 30 September 2024	1 January - 30 September 2023
Current period tax expense	(30.034)	(434.473)
Deferred tax expense	(1.966.907)	(2.977.138)
Total tax expense	(1.996.941)	(3.411.611)

Due to modernization, plant extension and investments incentive documents in Manisa Organized Industrial Zone, the Group has reduced rate of corporate tax advantage.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Communiqué II, No. 14.1 and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for the Communiqué and tax purposes.

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NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided using principal tax rate as of the balance sheet dates is as follows:

	Cumulative		Deferred tax	
	temporary differences		Deferred tax	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
Deferred tax assets / (liabilities)				
Employment termination benefits	(1.767.401)	(2.147.753)	441.850	536.938
Investment incentive	-	-	859.044	1.007.787
Warranty provision	(2.209.671)	(2.091.477)	552.418	522.869
Provision for doubtful receivables	(157.492)	(171.625)	39.373	42.906
Net difference between book values and tax bases of property, plant and equipment and intangible asset	28.339.910	24.428.324	(5.927.471)	(4.642.132)
Net difference between book values and tax bases of inventories	1.751.416	2.435.264	(437.854)	(608.816)
Provision for derivative instruments	(181.074)	(596.772)	45.269	149.194
R&D incentives	-	-	1.312.005	1.187.107
Other	829.696	(299.931)	(207.424)	74.983
Deferred tax assets / (liabilities) - net			(3.322.790)	(1.729.164)

The Group's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or fully until the investment contribution amount is reached.

Furthermore, financial statements consist of the deferred tax effect of the temporary differences accounted by the adjustments made regarding inflation accounting together with the notification of the Corporate Tax Law dated 30 December 2023 and numbered 32415.

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NOTE 24 – TAXES ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Cont'd)

As of 30 September 2024, the tax advantage amounting to TL 859.044 that the Company will benefit from in the foreseeable future is reflected in the financial statements as deferred tax asset. In line with the precautionary principle of accounting and in line with the budget made by the Company, the tax advantage arising from the investment incentives that the Company expects to benefit from in the coming year has been recognized as deferred tax asset in the financial statements. However, the tax advantage amounting to TL 4.701.752 that the Company is entitled to use has not been recognized in deferred tax assets in accordance with the precautionary principle of accounting.

Total tax advantage arising from investment incentive certificate used in the current period is TL 55.232.

The Company assesses the recoverability of deferred tax assets related to investment incentives based on business models that include estimates of taxable profit. These business models include forward-looking management estimates such as sales volumes, selling prices and exchange rate expectations. As a result of the sensitivity analyses on the forward-looking use of investment incentives, it has been concluded that a 10% increase/decrease in the related estimates has no impact on the recoverability of the related deferred tax assets.

The movement of net deferred tax assets and liabilities is as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance, 1 January	(1.729.164)	(22.173)
Tax expense recognized in income statement	(1.966.907)	(2.977.138)
Recognized in other comprehensive income	(41.180)	(150.378)
Currency translation differences	414.461	245.959
Deferred tax liabilities at the end of the period, net	(3.322.790)	(2.903.730)

NOTE 25 – (LOSS) / EARNINGS PER SHARE

	1 January - 30 September 2024	1 January - 30 September 2023
Net income / (loss) attributable to equity holders of the parent	(4.310.594)	(1.644.108)
Weighted number of ordinary shares with a Kr 1 of par value (hundred shares)	33.545.600	33.545.600
Earnings per share	(0,1285)	(0,0490)

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NOTE 26 – DERIVATIVE INSTRUMENTS

	30 September 2024		31 December 2023	
	Fair Value		Fair Value	
	Contract amount	Assets / (Liabilities)	Contract amount	Assets / (Liabilities)
<u>Derivative financial instruments:</u>				
Held for trading				
Forward foreign currency transactions	8.480.351	68.026	12.426.709	189.304
Cash flow hedge				
Forward foreign currency transactions	247.191	316	10.462.800	64.899
<u>Derivative financial liabilities:</u>				
Held for trading				
Forward foreign currency transactions	9.475.540	(66.877)	13.960.765	(219.072)
Cash flow hedge				
Forward foreign currency transactions	9.717.708	(182.539)	23.976.822	(631.903)
	27.920.790	(181.074)	60.827.096	(596.772)

NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign currency risk:

The Group is exposed to exchange rate risk due to its foreign currency denominated transactions. The main principle of foreign currency risk management is to maintain foreign exchange position at the level that minimizes the impact of foreign exchange fluctuations.

Derivative instruments are used in foreign currency risk management where necessary. In this respect the Group mainly prefers using foreign exchange forward contracts.

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NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD	EUR	Other	
30 September 2024	(Thousand)	(Thousand)	(TL Equivalent)	TL Equivalent
1. Trade receivables	125.064	244.330	1.063.525	14.657.252
2a. Monetary financial assets (including cash and cash equivalents)	72.489	22.332	20.662	3.346.503
2b. Non-monetary financial assets	-	-	-	-
3. Other	32.575	962	-	1.148.212
4. Current assets (1+2+3)	230.128	267.624	1.084.187	19.151.967
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	1.039.578	51	-	35.473.388
8. Non-current assets (5+6+7)	1.039.578	51	-	35.473.388
9. Total assets (4+8)	1.269.706	267.675	1.084.187	54.625.355
10. Trade payables	800.714	240.203	110.399	36.666.216
11. Financial liabilities	361.413	160.035	-	18.473.770
12a. Other monetary liabilities	2.462	1.256	-	132.187
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	1.164.589	401.494	110.399	55.272.173
14. Trade payables	-	4.541	-	173.649
15. Financial liabilities	468.845	7.509	-	16.313.440
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	468.845	12.050	-	16.487.089
18. Total liabilities (13+17)	1.633.434	413.544	110.399	71.759.262
19. Off-balance sheet derivative instruments				
net asset / (liability) position (19a+19b) (*)	(8.335)	(59.759)	154.938	(2.450.713)
19a. Hedged total assets	364.321	190.960	4.119.511	23.839.718
19b. Hedged total liabilities	(372.656)	(250.719)	(3.964.573)	(26.290.431)
20. Net foreign currency asset/ (liability) position (9-18+19)	(372.063)	(205.628)	1.128.726	(19.584.620)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(363.728)	(145.869)	973.788	(17.133.907)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(181.074)
23. Export	324.690	1.026.778	4.727.281	62.509.149
24. Import	1.029.070	136.832	58.866	40.467.534

(*) The net asset / (liability) positions of derivative instruments in foreign currency are included outside the statement of financial position.

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NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	USD	EUR	Other	TL Equivalent	TL Equivalent
	(Thousand)	(Thousand)	(TL Equivalent)	(Historic Date)	TL Equivalent
31 December 2023					
1. Trade receivables	92.538	238.713	1.575.155	12.075.124	16.405.305
2a. Monetary financial assets (including cash and cash equivalents)	27.790	8.261	2.081	1.089.263	1.479.876
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	68.685	893	-	2.051.052	2.786.567
4. Current assets (1+2+3)	189.013	247.867	1.577.236	15.215.439	20.671.748
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	18.643	3.115	-	650.277	883.469
7. Other	819.838	51	-	24.136.218	32.791.548
8. Non-current assets (5+6+7)	838.481	3.166	-	24.786.495	33.675.017
9. Total assets (4+8)	1.027.494	251.033	1.577.236	40.001.934	54.346.765
10. Trade payables	857.466	187.826	154.204	31.571.227	42.892.777
11. Financial liabilities	345.908	118.528	599.569	14.668.741	19.929.001
12a. Other monetary liabilities	80	1.415	-	48.528	65.931
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	1.203.454	307.769	753.773	46.288.496	62.887.708
14. Trade payables	-	5.460	-	178.174	242.068
15. Financial liabilities	15.690	16.633	-	1.005.474	1.366.041
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	15.690	22.093	-	1.183.648	1.608.109
18. Total liabilities (13+17)	1.219.144	329.862	753.773	47.472.144	64.495.817
19. Off-balance sheet derivative instruments	-	-	-	-	-
net asset / (liability) position (19a+19b)	649.071	(476.750)	108.175	3.692.531	5.016.685
19a. Hedged total assets	1.068.802	227.544	5.896.185	44.841.898	60.922.355
19b. Hedged total liabilities	(419.731)	(704.294)	(5.788.010)	(41.149.367)	(55.905.670)
20. Net foreign currency asset/ (liability) position (9-18+19)	457.421	(555.579)	931.638	(3.777.679)	(5.132.367)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a+7-10-11-12a-14-15-16a)	(210.293)	(81.943)	823.463	(8.120.487)	(11.032.520)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(439.254)	(596.772)
23. Export	541.555	1.533.534	9.851.005	76.246.912	103.589.314
24. Import	1.404.462	207.252	542.079	39.158.737	53.201.193

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NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

As of 30 September 2024 and 31 December 2023 sensitivity analysis of foreign exchange rates is presented in below tables. Secured portions include impact of off-balance sheet derivative instruments.

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
30 September 2024				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(1.251.121)	1.251.121	(1.251.121)	1.251.121
Secured portion from USD risk (-)	(666.704)	666.704	(740.143)	740.143
USD net effect	(1.917.825)	1.917.825	(1.991.264)	1.991.264
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(559.647)	559.647	(559.647)	559.647
Secured portion from EUR risk (-)	333.753	(333.753)	219.130	(219.130)
EUR net effect	(225.894)	225.894	(340.517)	340.517
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	97.379	(97.379)	97.379	(97.379)
Secured portion from other currency risk (-)	107.711	(107.711)	304.916	(304.916)
Other currency net effect	205.090	(205.090)	402.295	(402.295)

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NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont'd)

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
31 December 2023				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(775.294)	775.294	(775.294)	775.294
Secured portion from USD risk (-)	7.069	(7.069)	1.007.891	(1.007.891)
USD net effect	(768.225)	768.225	232.597	(232.597)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(351.487)	351.487	(351.487)	351.487
Secured portion from EUR risk (-)	215.496	(215.496)	(1.357.055)	1.357.055
EUR net effect	(135.991)	135.991	(1.708.542)	1.708.542
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	111.876	(111.876)	111.876	(111.876)
Secured portion from other currency risk (-)	271.540	(271.540)	827.347	(827.347)
Other currency net effect	383.416	(383.416)	939.223	(939.223)

NOTE 28 – SUBSEQUENT EVENTS

The CMB application regarding the transfer of Vestel Elektronik Sanayi ve Ticaret AŞ (Vestel Elektronik) Automotive Business Line to Vestel Mobilite Sanayi ve Tic. AŞ through partial division through a partnership model was made on 23 October 2024.