

**VESTEL BEYAZ EŐYA SANAYİ VE TİCARET
ANONİM ŐİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2022**

(ORIGINALLY ISSUED IN TURKISH)

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022

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- 30 SEPTEMBER 2022**

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

			Audited
	Footnotes	30 September 2022	31 December 2021
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	341.467	112.837
Trade Receivables		7.815.902	5.153.747
Trade Receivables Due From Related Parties	6	7.578.159	5.123.913
Trade Receivables Due From Third Parties	7	237.743	29.834
Other Receivables		3.879.311	1.859.666
Other Receivables Due From Related Parties	6	3.289.238	1.445.270
Other Receivables Due From Third Parties	8	590.073	414.396
Derivative Financial Assets		63.762	193.125
Derivative Financial Assets Held for Trading	26	2.028	3.793
Derivative Financial Assets Held for Hedging	26	61.734	189.332
Inventories	9	5.088.217	2.649.388
Prepayments		375.423	148.518
Prepayments to Third Parties	10	375.423	148.518
Other Current Assets		5.730	3.344
Other Current Assets Due From Third Parties	17	5.730	3.344
TOTAL CURRENT ASSETS		17.569.812	10.120.625

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

		Audited	
	Footnotes	30 September 2022	31 December 2021
NON-CURRENT ASSETS			
Other Receivables		21.193	17.901
Other Receivables Due From Third Parties	8	21.193	17.901
Property, Plant and Equipments		4.311.152	3.274.859
Land and Premises	11	755.907	755.907
Land Improvements	11	59.345	64.057
Buildings	11	1.082.384	1.123.688
Machinery and Equipments	11	1.620.611	1.205.534
Vehicles	11	646	236
Fixtures and Fittings	11	60.477	49.319
Leasehold Improvements	11	5.411	4.700
Construction in Progress	11	726.371	71.418
Right of Use Assets	12	161.271	132.955
Intangible Assets and Goodwill		352.644	271.950
Other Rights	13	142	158
Capitalized Development Costs	13	324.736	249.183
Other Intangible Assets	13	27.766	22.609
Prepayments		407.399	238.345
Prepayments to Third Parties	10	407.399	238.345
Deferred Tax Asset	24	352.986	132.778
TOTAL NON-CURRENT ASSETS		5.606.645	4.068.788
TOTAL ASSETS		23.176.457	14.189.413

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

		Audited	
	Footnotes	30 September 2022	31 December 2021
LIABILITIES			
CURRENT LIABILITIES			
Current Borrowings		4.027.619	623.480
Current Borrowings from Related Parties		3.377	2.399
Lease Liabilities	5	3.377	2.399
Current Borrowings From Third Parties		4.024.242	621.081
Bank Loans	5	4.005.400	597.237
Lease Liabilities	5	18.842	23.844
Current Portion of Non-current Borrowings		277.565	311.896
Current Portion of Non-current Borrowings from Third Parties		277.565	311.896
Bank Loans	5	9.689	308.458
Issued Debt Instruments	5	267.876	3.438
Trade Payables		10.530.736	5.842.718
Trade Payables to Related Parties	6	622.188	273.646
Trade Payables to Third Parties	7	9.908.548	5.569.072
Employee Benefit Obligations	16	167.487	68.864
Other Payables		1.079.092	1.431.678
Other Payables to Related Parties	6	1.079.092	1.431.678
Derivative Financial Liabilities		229.511	233.435
Derivative Financial Liabilities Held for Trading	26	174.886	233.435
Derivative Financial Liabilities Held for Hedging	26	54.625	-
Deferred Income		701.961	-
Deferred Income From Related Parties	6	371.177	-
Deferred Income From Third Parties	8	330.784	-
Current Tax Liabilities, Current	24	15	939
Current Provisions		9.346	9.724
Other Current Provisions	14	9.346	9.724
Other Current Liabilities		101.752	39.302
Other Current Liabilities to Third Parties	17	101.752	39.302
TOTAL CURRENT LIABILITIES		17.125.084	8.562.036

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

		Audited
	Footnotes	30 September 2022 31 December 2021
NON-CURRENT LIABILITIES		
Long Term Borrowings		156.816 399.464
Long Term Borrowings From Related Parties		152.240 120.472
Lease Liabilities	5	152.240 120.472
Long Term Borrowings From Third Parties		4.576 278.992
Bank Loans	5	2.168 9.922
Lease Liabilities	5	2.408 4.070
Issued Debt Instruments	5	- 265.000
Trade Payables		195.731 181.003
Trade Payables to Third Parties	7	195.731 181.003
Non-current Provisions		208.960 151.875
Non-current Provisions for Employee Benefits	16	208.960 151.875
Other Non-current Liabilities		- 2.380
Other Non-current Liabilities to Third Parties		- 2.380
TOTAL NON-CURRENT LIABILITIES		561.507 734.722
TOTAL LIABILITIES		17.686.591 9.296.758

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM BALANCE SHEETS AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

		Audited
	Footnotes	30 September 2022 31 December 2021
EQUITY		
Equity Attributable to Owners of Parent		5.489.866 4.892.655
Issued Capital	18	1.600.000 1.600.000
Inflation Adjustments on Capital	18	9.734 9.734
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		1.342.582 1.400.337
Gains (Losses) on Revaluation and Remeasurement		1.342.582 1.400.337
Increases (Decreases) on Revaluation of Property, Plant and Equipment		1.425.532 1.467.974
Gains (Losses) on Remeasurements of Defined Benefit Plans		(82.950) (67.637)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		13.597 141.999
Gains (Losses) on Hedge		13.597 141.999
Gains (Losses) on Cash Flow Hedges		13.597 141.999
Restricted Reserves Appropriated From Profits		233.843 98.506
Legal Reserves	18	233.843 98.506
Prior Years' Profits or Losses	18	850.874 123.487
Current Period Net Profit Or Loss		1.439.236 1.518.592
TOTAL EQUITY		5.489.866 4.892.655
TOTAL LIABILITIES AND EQUITY		23.176.457 14.189.413

Financial statements for the period 1 January – 30 September 2022 were approved by the Board of Directors of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. on 31 October 2022.

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE PERIODS 1 JANUARY – 30 SEPTEMBER 2022 AND 2021

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

	Footnotes	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
PROFIT OR LOSS					
Revenue	19	21.196.102	11.268.255	8.225.981	3.923.452
Cost of Sales	19	(17.323.684)	(9.636.220)	(6.995.852)	(3.485.020)
GROSS PROFIT FROM COMMERCIAL OPERATIONS		3.872.418	1.632.035	1.230.129	438.432
GROSS PROFIT		3.872.418	1.632.035	1.230.129	438.432
General Administrative Expenses	21	(210.135)	(87.426)	(83.065)	(28.758)
Marketing Expenses	21	(1.307.279)	(137.086)	(544.362)	(51.718)
Research and Development Expense	21	(153.420)	(84.368)	(61.407)	(28.627)
Other Income from Operating Activities	22	1.342.387	665.931	299.622	82.166
Other Expenses from Operating Activities	22	(2.302.510)	(753.944)	(683.238)	(114.823)
PROFIT FROM OPERATING ACTIVITIES		1.241.461	1.235.142	157.679	296.672
PROFIT BEFORE FINANCING INCOME (EXPENSE)		1.241.461	1.235.142	157.679	296.672
Finance Income	23	2.361.547	697.508	955.422	186.316
Finance Costs	23	(2.338.889)	(844.722)	(972.399)	(202.705)
PROFIT FROM CONTINUING OPERATIONS, BEFORE TAX		1.264.119	1.087.928	140.702	280.283
Tax (Expense) Income, Continuing		175.117	17.342	32.790	(2.259)
Current Period Tax Expense	24	(2.909)	(4.857)	(108)	(991)
Deferred Tax (Expense) Income	24	178.026	22.199	32.898	(1.268)
PROFIT FROM CONTINUING OPERATIONS		1.439.236	1.105.270	173.492	278.024
PROFIT		1.439.236	1.105.270	173.492	278.024
Earnings Per Share with a TL 1 of Par Value					
	25	0,90	0,69	0,11	0,17

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE PERIODS 1 JANUARY – 30 SEPTEMBER 2022 AND 2021

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

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
OTHER COMPREHENSIVE INCOME				
Other Comprehensive Income that will not be Reclassified to Profit or Loss	(15.313)	(3.025)	17.841	(1.561)
Gains (Losses) on Remeasurements of Defined Benefit Plans	(19.141)	(3.781)	22.302	(1.951)
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Profit or Loss	3.828	756	(4.461)	390
Deferred Tax (Loss) Gain	3.828	756	(4.461)	390
Taxes Relating to Remeasurements of Defined Benefit Plans	3.828	756	(4.461)	390
Other Comprehensive Income that will be Reclassified to Profit or Loss	(128.402)	51.143	(167.576)	(44)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	(166.756)	65.737	(217.631)	(58)
Gains (Losses) on Cash Flow Hedges	(166.756)	65.737	(217.631)	(58)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss	38.354	(14.594)	50.055	14
Deferred Tax (Loss) Gain	38.354	(14.594)	50.055	14
Taxes Relating to Cash Flow Hedges	38.354	(14.594)	50.055	14
OTHER COMPREHENSIVE INCOME (LOSS)	(143.715)	48.118	(149.735)	(1.605)
TOTAL COMPREHENSIVE INCOME (LOSS)	1.295.521	1.153.388	23.757	276.419

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS 1 JANUARY – 30 SEPTEMBER 2022 AND 2021

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

	Issued Capital	Inflation Adjustments on Capital	Share Premiums or Discounts	Other Comprehensive Income that will not be Reclassified in Profit or Loss			Cash Flow Hedges	Reserve Of Gains or Losses on Hedge	Other Comprehensive Income that will be Reclassified in Profit or Loss	Restricted Reserves Appropriated From Profits	Prior Years' Profits or Losses	Net Profit or Loss	Retained Earnings	Equity attributable to owners of parent	Equity	
				Increases (Decreases) on Revaluation of Property, Plant and	Gains (Losses) on Remeasurements of Defined Benefit	Gains (Losses) on Revaluations and Remeasurements										
Previous Period																
1 January -30 September 2021																
Equity at Beginning of Period	190.000	9.734	109.031	800.187	(28.514)	771.673	771.673	(29.447)	(29.447)	(29.447)	187.190	792.276	1.331.308	2.123.584	3.361.765	3.361.765
Transfers	-	-	-	(9.141)	-	(9.141)	(9.141)	-	-	-	-	1.340.449	(1.331.308)	9.141	-	-
Total Comprehensive Income (Loss)	-	-	-	-	(3.025)	(3.025)	(3.025)	51.143	51.143	51.143	-	-	1.105.270	1.105.270	1.153.388	1.153.388
Profit	-	-	-	-	-	-	-	-	-	-	-	-	1.105.270	1.105.270	1.105.270	1.105.270
Other Comprehensive Income (Loss)	-	-	-	-	(3.025)	(3.025)	(3.025)	51.143	51.143	51.143	-	-	-	-	48.118	48.118
Dividends Paid	-	-	(76.455)	-	-	-	-	-	-	-	(45.065)	(678.480)	-	(678.480)	(800.000)	(800.000)
Equity at End of Period	190.000	9.734	32.576	791.046	(31.539)	759.507	759.507	21.696	21.696	21.696	142.125	1.454.245	1.105.270	2.559.515	3.715.153	3.715.153
Current Period																
1 January -30 September 2022																
Equity at Beginning of Period	1.600.000	9.734	-	1.467.974	(67.637)	1.400.337	1.400.337	141.999	141.999	141.999	98.506	123.487	1.518.592	1.642.079	4.892.655	4.892.655
Transfers	-	-	-	(42.442)	-	(42.442)	(42.442)	-	-	-	-	1.561.034	(1.518.592)	42.442	-	-
Total Comprehensive Income (Loss)	-	-	-	-	(15.313)	(15.313)	(15.313)	(128.402)	(128.402)	(128.402)	-	-	1.439.236	1.439.236	1.295.521	1.295.521
Profit	-	-	-	-	-	-	-	-	-	-	-	-	1.439.236	1.439.236	1.439.236	1.439.236
Other Comprehensive Income (Loss)	-	-	-	-	(15.313)	(15.313)	(15.313)	(128.402)	(128.402)	(128.402)	-	-	-	-	(143.715)	(143.715)
Dividends Paid	-	-	-	-	-	-	-	-	-	-	135.337	(833.647)	-	(833.647)	(698.310)	(698.310)
Equity at End of Period	1.600.000	9.734	-	1.425.532	(82.950)	1.342.582	1.342.582	13.597	13.597	13.597	233.843	850.874	1.439.236	2.290.110	5.489.866	5.489.866

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 30 SEPTEMBER 2022 AND 2021

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

	Footnotes	1 January - 30 September 2022	1 January - 30 September 2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		2.744.026	725.964
Profit		1.439.236	1.105.270
Profit from Continuing Operations		1.439.236	1.105.270
Adjustments to Reconcile Profit (Loss)		1.297.508	529.374
Adjustments for Depreciation and Amortisation Expense	11,12,13	389.450	281.336
Adjustments for Impairment Loss (Reversal of Impairment Loss)		26.521	6.053
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	9	26.521	6.053
Adjustments for Provisions		56.466	31.576
Adjustments for (Reversal of) Provisions Related with Employee Benefits	16	56.844	29.495
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	14	(378)	2.081
Adjustments for Interest (Income) Expenses		370.822	159.810
Adjustments for Interest Income	23	(160.932)	(53.180)
Adjustments for Interest Expense	23	531.754	212.990
Adjustments for Unrealised Foreign Exchange Losses (Gains)		673.884	32.613
Adjustments for Fair Value Losses (Gains)		(41.317)	13.243
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		(41.317)	13.243
Adjustments for Tax (Income) Expenses	24	(175.117)	(17.342)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(3.223)	(2.331)
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets		(3.223)	(2.331)
Other Adjustments to Reconcile Profit (Loss)	4	22	24.416

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 30 SEPTEMBER 2022 AND 2021

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

Footnotes	1 January - 30 September 2022	1 January - 30 September 2021
Changes in Working Capital	30.015	(893.755)
Adjustments for Decrease (Increase) in Trade Accounts Receivable	(2.662.155)	(843.337)
Decrease (Increase) in Trade Accounts Receivables from Related Parties	6 (2.454.246)	(818.408)
Decrease (Increase) in Trade Accounts Receivables from Third Parties	7 (207.909)	(24.929)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations	(178.969)	(56.900)
Decrease (Increase) in Other Third Party Receivables Related with Operations	8 (178.969)	(56.900)
Adjustments for Decrease (Increase) in Inventories	9 (2.465.350)	(1.257.263)
Decrease (Increase) in Prepaid Expenses	10 (226.905)	(85.493)
Adjustments for Increase (Decrease) in Trade Accounts Payable	4.702.746	1.327.549
Increase (Decrease) in Trade Accounts Payables to Related Parties	6 348.542	20.977
Increase (Decrease) in Trade Accounts Payables to Third Parties	7 4.354.204	1.306.572
Increase (Decrease) in Employee Benefit Liabilities	16 98.623	14.397
	701.961	-
Other Adjustments for Other Increase (Decrease) in Working Capital	60.064	7.292
Decrease (Increase) in Other Assets Related with Operations	17 (2.386)	(5.563)
Increase (Decrease) in Other Payables Related with Operations	17 62.450	12.855
Cash Flows from (used in) Operations	2.766.759	740.889
Payments Related with Provisions for Employee Benefits	16 (18.900)	(8.611)
Income Taxes refund (Paid)	24 (3.833)	(6.314)

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VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
CONDENSED INTERIM STATEMENTS OF CASH FLOWS FOR THE PERIODS
1 JANUARY - 30 SEPTEMBER 2022 AND 2021

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

Footnotes	1 January - 30 September 2022	1 January - 30 September 2021
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(3.896.871)	(561.084)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets	37.635	21.301
Proceeds from Sales of Property, Plant and Equipment	4.999	1.434
	32.636	19.867
Purchase of Property, Plant, Equipment and Intangible Assets	(1.500.391)	(448.455)
Purchase of Property, Plant and Equipment	11 (1.352.016)	(363.464)
Purchase of Intangible Assets	13 (148.375)	(84.991)
Cash Advances and Loans Made to Other Parties	(2.434.115)	(133.930)
Cash Advances and Loans Made to Related Parties	6 (2.265.061)	(43.409)
	(169.054)	(90.521)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	1.381.497	(237.590)
Proceeds from Borrowings	4.890.521	1.795.552
Proceeds from Loans	5 4.890.521	1.530.552
Cash Proceeds from Issued Bonds	5 -	265.000
Repayments of Borrowings	(2.133.169)	(1.978.474)
Loan Repayments	5 (2.133.169)	(1.978.474)
Decrease in Other Payables to Related Parties	(350.225)	916.703
Payments of Lease Liabilities	26.082	(26.991)
Dividends Paid	6 (698.310)	(800.000)
Interest Paid	(514.333)	(197.559)
Interest Received	160.931	53.179
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	228.652	(72.710)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	228.652	(72.710)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4 112.815	187.136
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4 341.467	114.426

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

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY – 30 SEPTEMBER 2022

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

NOTE 1 – COMPANY’S ORGANISATION AND NATURE OF OPERATIONS

Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. (the “Company” or “Vestel Beyaz Eşya”) was incorporated in 1997 under the Turkish Commercial Code and its head office is located at Levent 199, Büyükdere Caddesi No: 199, 34394 Şişli / İstanbul.

The Company started its operations in 1999 and produces refrigerators, freezers, room air conditioning units, washing machines, cookers, dishwashers and water heaters. The Company’s production facilities occupy 398.000 square meters of enclosed area located in Manisa Organized Industrial Zone on total area of 621.000 square meters.

The Company is a member of Vestel Group of Companies which are under the control of the Zorlu Family. The Company performs its foreign sales and domestic sales via Vestel Ticaret A.Ş. which is also a member of Vestel Group of Companies.

The Company is registered to Capital Market Board and its shares have been quoted to Borsa Istanbul (“BİST”) since 21 April 2006.

As of 30 September 2022, the number of personnel employed was 10.224 (31 December 2021: 9.416).

As of balance sheet dates, the shareholders of the Company and their percentage shareholdings were as follows:

	Shareholding %
Vestel Elektronik Sanayi ve Ticaret A.Ş.	80,66
Other shareholders	19,34
	100,00

As of 30 September 2022, 503.520.000 shares of the Company have been quoted at the Borsa Istanbul (“BİST”) (%31,47 of its share capital; 31 December 2021: % 31,47).

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Statement of compliance

The accompanying interim condensed 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, financial statements are prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS” / “TFRS”) and its addendum and interpretations (“TFRIC”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POAASA” or “POA”) Turkish Accounting Standards Board.

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

2.1 Basis of presentation (Cont’d)

2.1.1 Statement of compliance (Cont’d)

The Company prepared its condensed interim financial statements for the period ended 30 September 2022 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 interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its condensed financial statements.

The Company’s condensed interim financial statements do not include all disclosure and notes that should be included at year-end financial statements. Therefore the condensed interim financial statements should be read in conjunction with the financial statements as at 31 December 2021.

The Company 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 financial statements, except for land, buildings and land improvements and the financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in TL. 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.

With the decision 11/367 taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for the companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, TAS 29, “Financial Reporting in Hyperinflationary Economies” issued by the POA, has not been applied in the financial statements for the accounting year commencing from 1 January 2005.

In the announcement made by POA on 20 January 2022, companies that apply TFRS should not adjust financial statements for the year ended 31 December 2021 for TAS 29 - Financial Reporting in Hyperinflationary Economies. Afterwards, no new statement was made by the POA about the TMS 29 application and no adjustment was made to the financial statements as of 30 September 2022 in accordance with TAS 29.

2.2 Comparative information and restatement of prior period financial statements

Financial statements of the Company 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 financial statements.

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

2.3 Restatement and errors in the accounting estimates

Major changes in accounting policies are applied retrospectively, 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 in both the period where the change is applied and future periods prospectively.

2.4. Amendments in Turkey Financial Reporting Standards

New standards, amendments and interpretations issued and effective for the financial year beginning 30 September 2022

Standards issued but not yet effective and not early adopted

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

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendment to TFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 September 2021 to 30 September 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **A number of narrow-scope amendments to TFRS 3, IAS 16, IAS 37 and some annual improvements on TFRS 1, TFRS 9, IAS 41 and TFRS 16; effective from annual periods beginning on or after 1 January 2022.**
 - **Amendments to TFRS 3, ‘Business combinations’** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

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

2.4. Amendments in Turkey Financial Reporting Standards

New standards, amendments and interpretations issued and effective for the financial year beginning 30 September 2022

- **Amendments to IAS 16**, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37**, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial Instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

2.5. Summary of significant accounting policies

2.5.1 Revenue

The Company recognizes revenue in accordance with TFRS 15 “Revenue from contracts with customers” standard by applying the following five step model:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled.

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) Company can identify each party’s rights regarding the goods or services to be transferred,
- (c) Company can identify the payment terms for the goods or services to be transferred,
- (d) The contract has commercial substance,
- (e) It is probable that Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer’s ability and intention to pay that amount of consideration when it is due.

2.5.2 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Company uses moving weighted average method for costing.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income in the period the write-down or loss occurred.

When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.3 Property, plant and equipment

Land, land improvements and buildings are stated at fair value, based on valuations performed as at 31 December 2021.

Property, plant and equipment except for land, land improvements and buildings acquired after 1 January 2005 are carried at cost, less accumulated amortization and impairment losses, if any.

Any revaluation increase arising on the revaluation of such land, land improvements and buildings is credited in equity to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land, land improvements and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued land improvements and buildings is charged to profit or loss.

Each period, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statements of comprehensive income) and the depreciation based on the asset’s original cost is transferred from revaluation reserves to the retained earnings.

Land is not depreciated. Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in the related income and expense accounts, as appropriate. On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

Subsequent costs such as repairs and maintenance or part replacement of plant and equipment are included in the asset’s carrying value or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company. All other costs are charged to the statements of comprehensive income during the financial period in which they are incurred.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.3 Property, plant and equipment (Cont’d)

Leases

The Company – as a lessee

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Company assess whether:

- a) The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset, if the supplier has a substantive substitution right, the asset is not identified.
- c) The Company has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) The Company has the right to direct use of the asset, The Company concludes to have the right of use, when it is predetermined how and for what purpose the Company will use the asset. The Company has the right to direct use of asset if either:
 - i. The Company has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. The Company designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

At the actual commencement date of the contract, the Company reflects a right-of-use asset and a lease liability in its financial statements.

The Company rents various buildings, warehouses, forklifts and machinery. The duration of the leasing contracts for machine and equipment is usually 5 years; for building and warehouses is usually fixed from 2 to 20 years.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.3 Property, plant and equipment (Cont’d)

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments, including in-substance fixed payments;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.
- c) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewable period if the Company is reasonably certain to exercise an extension option. and penalties for early termination of a lease unless the Company is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- a) Increasing the carrying amount to reflect interest on lease liability,
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The duration of the contracts, which constitute the lease obligation of the company, varies between 1 - 20 years.

The Company – as a lessor

The Company’s activities as a lessor are not material.

Right of use assets:

The cost of the right-of-use asset comprises:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Company

To apply the cost model, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The Company applies the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.4 Intangible assets

a) Research and development costs

Research costs are recognized as expense in the period in which they are incurred. An intangible asset arising from development (or from the development phase of an internal project) if and only if an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development
- Other development costs are recognized as expense as incurred. If it is not possible to distinguish the research phase from the development phase of an internal project, the entity treats the expenditure on that project as if it were incurred in the research phase only.

b) Rights and other intangible fixed assets

Rights and other intangible assets consist acquired computer software, computer software development costs and other identifiable rights. Rights and other intangible assets are recognized at their acquisition costs and are amortized on a straight line basis over their expected useful lives which are less than five years.

2.5.5 Financial instruments

a) Financial assets

The Company classifies its financial assets into three categories: financial assets measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income. The classification depends on the basis of the business model determined according to utilization purposes and expected cash outflows. The Company classifies its financial assets at the time of initial recognition.

Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.5 Financial instruments (Cont’d)

a) Financial assets (Cont’d)

Financial assets carried at amortized cost (Cont’d)

The Company’s financial assets carried at amortized cost comprise “trade receivables” and “cash and cash equivalents” in the statement of financial position.

Company has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision to the trade receivables as a result of a specific event, Company measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected loss is performed based on the past experience of the Company and its expectations for the future indications.

Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value.

Impairment of financial assets

Impairment of the financial and contractual assets measured by using “Expected credit loss model”. The impairment model applies for amortized financial and contractual assets.

The Company has preferred to apply “simplified approach” for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Company measures the loss allowances regarding its trade receivables at an amount equal to “lifetime expected credit losses” except incurred credit losses in which trade receivables are already impaired for a specific reason.

b) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.5 Financial instruments (Cont’d)

c) Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The derivative instruments of the Company mainly consist of foreign exchange forward contracts. These derivative transactions, even though providing effective economic hedges under risk accounting, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the financial statements. The fair value changes for these derivatives are recognised in the profit or loss statement.

The hedging transactions of the Company that qualify for hedge accounting are accounted in accordance with TFRS 9.

Cash flow hedges:

As long as a cash flow hedge meets the qualifying criteria, the hedging relationship shall be accounted for as follows:

(a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):

- (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and
- (ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

(b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income.

(c) any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognised in profit or loss.

2.5.6 Foreign currency transactions

Transactions in foreign currencies during the period are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary items denominated in foreign currencies are translated to TL at the rates prevailing on the balance sheet date. Exchange differences on foreign currency denominated monetary assets and liabilities are recognized in profit or loss in the period in which they arise except for the effective portion of the foreign currency hedge of net investments in foreign operations. On-monetary items which are denominated in foreign currency and measured with historical costs are translated using the exchange rates at the dates of initial transactions.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.7 Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company are not included in the financial statements and treated as contingent assets or liabilities.

2.5.8 Related parties

Shareholders, key management personnel and board members, their close family members and companies controlled, jointly controlled or significantly influenced by them and the Group companies are considered and referred to as related parties.

2.5.9 Taxation on income

Tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items directly recognized in equity. In that case, tax is recognized in shareholders’ equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Investment incentives that are conducive to payment of corporate taxes at reduced rates are subject to deferred tax calculation when there is reasonable assurance that the Company will benefit from the related incentive.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.9 Taxation on income (Cont’d)

Deferred tax liabilities are recognized for taxable temporary differences except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via transfer pricing, dated 18 November 2007 sets the implementation procedures of the law. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arms’ length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible items for corporate income tax purposes.

Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.5.10 Employee benefits

Employment termination benefits, as required by the Turkish Labor Law represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision for employment termination benefits as of 31 December 2021 is calculated in accordance with the assumptions used by the independent actuarial firm and is recorded in the financial statements at its net present value. Employment termination benefits are considered as being part of defined retirement benefit plan as per TAS 19. All actuarial gains and losses are recognized in statements of income.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.11 Government grants

Government grants, including non-monetary grants at fair value, are recognized in financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grants will be received.

Incentives for research and development activities are recognized in financial statements when they are authorized by the related institutions.

2.5.12 Earnings per share

Earnings per share disclosed in the statement of income is determined by dividing net income attributable to equity holder of the parent by the weighted average number of such shares outstanding during the year concerned.

2.5.13 Statement of cash flows

In the statement of cash flows, cash flows are classified into three categories as operating, investment and financing activities. Cash flows from operating activities are those resulting from the Company’s production and sales activities. Cash flows from investment activities indicate cash inflows and outflows resulting from property, plant and equipment and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. Cash and cash equivalents comprise of cash in hand accounts, bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months.

2.5.14 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net if the nature of the transaction or the event qualify for offsetting.

2.5.15 Subsequent events

Events after the balance sheet date, announcements related to net profit or even declared after other selective financial information has been publicly announced; include all events that take place between the balance sheet date and the date when balance sheet was authorized for issue.

In the case that events require a correction to be made on the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

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

2.5. Summary of significant accounting policies (Cont’d)

2.5.16 Going concern

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

2.6. Critical accounting estimates and judgments

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Company management’s best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Company management are as follows:

i. Revaluation of lands, buildings and land improvements

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

In cases where the fair value of a revalued asset is considered to differ materially from its carrying value, the revaluation needs to be repeated, and this is done for the entire asset class in which the revalued asset is located as of the same date.

On the other hand, it is not considered necessary to repeat the revaluation for tangible assets whose fair value changes are insignificant. In this context, as a result of the evaluations made by the Company management, it has been concluded that the fair values of the lands, buildings and surface improvements determined in the valuation studies carried out as of 31 December 2021 will converge to their relevant fair values as of 30 September 2022, after deducting the current period depreciation.

The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the Company performs impairment assessment for buildings and land improvements of which valuations are based on cost approach, accordance with the TAS 36 “Impairment of Assets”, and no impairment indicator is identified.

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NOTE 3 - SEGMENT REPORTING

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

The Management believes that the Company operates in a single industry sector as the risks and returns for the activities do not show any material difference because the scope of activity covers only the production of white goods and the production processes and classes of customers are similar. As a result all information related to the industrial segment has been fully presented in the attached financial statements.

The Management has decided to use geographical segments for segment reporting considering the fact that risks and returns are affected by the differences in geographical regions.

Geographical segments

Segment revenue	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Turkey	6.123.527	2.666.237	2.138.614	912.168
Europe	10.398.868	6.343.036	4.186.438	2.257.419
Other	4.745.377	2.307.550	1.929.398	785.857
Gross sales	21.267.772	11.316.823	8.254.450	3.955.444
Discounts (-)	(71.670)	(48.568)	(28.469)	(31.992)
Net sales	21.196.102	11.268.255	8.225.981	3.923.452

Other segment sales mainly comprise of sales to Asian and African countries.

The amount of export is TL 15.144.245 thousand for the period ended 30 September 2022. (1 January-30 September 2021: TL 8.650.586 thousand). Export sales are denominated in EURO, and USD as 83,1%, and 10,5% of total export respectively (1 January-30 September 2021: 93,7% EUR, 6,3% USD).

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

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NOTE 4 – CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Cash	693	449
Bank deposits		
- Demand deposits	297.195	33.434
- Time deposits	43.579	78.932
	341.467	112.815
Blocked deposits	-	22
Cash and cash equivalents	341.467	112.837

As at 30 September 2022, the Company has time deposits principal amounting to TL 43.579 thousand. The maturities for time deposits are less than 1 month. (31 December 2021: EUR 4.450 thousand, USD 1.000 thousand and TL 618).

NOTE 5 – FINANCIAL LIABILITIES

	30 September 2022	31 December 2021
Short - term financial liabilities		
Short term bank loans	4.005.400	597.237
Short term portion of long term bank loans	9.689	308.458
Lease liabilities	22.219	26.243
Issued debt instruments	267.876	3.438
	4.305.184	935.376
Long - term financial liabilities		
Long term bank loans	2.168	9.922
Lease liabilities	154.648	124.542
Issued debt instruments	-	265.000
	156.816	399.464

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NOTE 5 – FINANCIAL LIABILITIES (Cont’d)

Details of the Company’s short term bank loans are given below:

Currency	30 September 2022			31 December 2021		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest rates per	Original currency	TL Equivalent
- USD	7,67%	67.500	1.252.267	-	-	-
- EUR	2,84%	18.000	327.100	3,82%	38.620	567.025
- TL	16,17%	2.426.033	2.426.033	21,50%	30.212	30.212
			4.005.400			597.237

Details of the Company’s long term bank loans are given below:

Currency	30 September 2022			31 December 2021		
	Weighted average of effective interest	Original currency	TL Equivalent	Weighted average of effective interest rates per	Original currency	TL Equivalent
- EUR	-	-	-	2,57%	6.679	98.062
- TL	20,33%	9.689	9.689	20,89%	210.396	210.396
Short term portion			9.689			308.458
- TL	18,17%	2.168	2.168	20,67%	9.922	9.922
Long term portion			2.168			9.922
			11.857			318.380

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NOTE 5 – FINANCIAL LIABILITIES (Cont’d)

The redemption schedule of the Company’s long term bank loans are given below:

	30 September 2022	31 December 2021
One to two years	1.926	8.300
Two to three years	242	1.622
	2.168	9.922

Guarantees given for the bank loans obtained are disclosed in note 14.

Fair value 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.

As of 30 September 2022 and 30 September 2021, reconciliation of net financial debt is as below:

	30 September 2022	30 September 2021
Net financial debt as of 1 January	1.222.025	1.253.858
Cash inflows from loans	4.890.521	1.530.552
Cash outflows from loan payments	(2.133.169)	(1.978.474)
Payments of lease liabilities	26.082	(12.183)
Issued debt instruments	-	265.000
Unrealized Fx gain/loss	338.125	26.390
Accrued interest	5.601	3.022
Change in cash and cash equivalents	(228.652)	72.710
Net financial debt at the end of the period	4.120.533	1.160.875

NOTE 6 – RELATED PARTY DISCLOSURES

a) Short term trade receivables from related parties

	30 September 2022	31 December 2021
Vestel Ticaret A.Ş.	7.578.159	5.123.891
Other related parties	-	22
	7.578.159	5.123.913

The receivables result from the Company’s foreign and domestic sales performed via Vestel Ticaret A.Ş. which is also a member of Vestel Group Companies.

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NOTE 6 – RELATED PARTY DISCLOSURES (Cont’d)

b) Short term trade payables to related parties

	30 September 2022	31 December 2021
Vestel Elektronik Sanayi ve Ticaret A.Ş.	199.541	196.214
Vestel Ticaret A.Ş.	311.579	10.195
Vestel Holland B.V.	67.529	60.155
Zorlu Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	41.086	-
Other related parties	4.420	7.822
	624.155	274.386
Unearned interest on payables (-)	(1.967)	(740)
	622.188	273.646

c) Other short term receivables from related parties

	30 September 2022	31 December 2021
Vestel Elektronik Sanayi ve Ticaret A.Ş.	3.289.238	1.445.270

The Company’s interest rate of other receivables in USD is 7% (31 December 2021: in USD 7% and EUR 5%).

d) Other short term liabilities to related parties

	30 September 2022	31 December 2021
Vestel Elektronik Sanayi ve Ticaret A.Ş.	1.079.092	1.431.678

As of 30 September 2022, The Company’s interest rate of other payables in EUR is %5 and TL is 25% (31 December 2021: in TL 21%, USD 7% and EUR 5%).

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NOTE 6 – RELATED PARTY DISCLOSURES (Cont’d)

e) Lease liabilities to related parties

	30 September 2022	31 December 2021
Vestel Elektronik Sanayi ve Ticaret A.Ş.	155.617	122.871

The Company’s short term lease liabilities to Vestel Elektronik Sanayi ve Ticaret A.Ş. are amounted to TL 3.377 thousand and long term lease liabilities are amounted to TL 152.240 thousand (31 December 2021: short term TL 2.399 thousand and TL 120.472 thousand).

f) Deferred income from related parties

	30 September 2022	31 December 2021
Vestel Ticaret A.Ş.	371.177	-
	371.177	-

g) Transactions with related parties

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Sales				
Vestel Holland B.V.	4.838.559	-	1.477.442	-
Vestel France S.A.	1.677.372	-	700.372	-
Vestel Iberia Sl	1.286.115	-	453.079	-
Vestel Germany Gmbh	1.095.429	-	442.227	-
Vestel Ticaret A.Ş.	7.605.334	10.908.901	4.788.695	3.812.672
Vestel Elektronik Sanayi ve Ticaret A.Ş.	208.492	147.967	77.842	42.873
Other related parties	1.906.749	166	1.377.364	19
	18.618.050	11.057.034	9.317.021	3.855.564

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Purchases and operating expenses				
Vestel Holland B.V.	1.146.026	292.890	367.985	147.840
Vestel Ticaret A.Ş.	591.991	49.620	420.863	17.858
Vestel Elektronik Sanayi ve Ticaret A.Ş.	1.189.722	641.661	416.634	208.817
Other related parties	49.907	19.570	21.902	6.957
	2.977.646	984.171	1.227.384	368.859

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NOTE 6 – RELATED PARTY DISCLOSURES (Cont'd)

g) Transactions with related parties (Cont'd)

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Other operating income				
Vestel Ticaret A.Ş.	1.037.380	520.529	245.657	55.020
Other related parties	72.295	4.456	43.739	758
	1.109.675	524.985	289.396	55.778

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Other operating expense				
Vestel Ticaret A.Ş.	358.925	212.652	117.923	65.491
Other related parties	87.580	14.144	28.255	11.927
	446.505	226.796	146.178	77.418

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Dividend paid				
Vestel Elektronik Sanayi ve Ticaret A.Ş.	576.347	681.329	-	227.110
Public shares	121.963	118.671	121.963	75.883
	698.310	800.000	121.963	302.993

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NOTE 6 – RELATED PARTY DISCLOSURES (Cont’d)

g) Transactions with related parties (Cont’d)

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Financial income				
Vestel Elektronik Sanayi ve Ticaret A.Ş.	1.033.603	247.969	328.801	7.807
	1.033.603	247.969	328.801	7.807
Financial expense				
Vestel Elektronik Sanayi ve Ticaret A.Ş.	275.666	109.448	124.404	58.250
	275.666	109.448	124.404	58.250

h) Guarantees received from and given to related parties are disclosed in note 14.

i) Compensation paid to key management including directors, the Chairman of Board of Directors, general managers and assistant general managers

Compensation paid to key management for the nine months period ended 30 September 2022 is TL 11.992 thousand (1 January-30 September 2021: TL 9.191 thousand).

VESTEL BEYAZ EŞYA SANAYİ VE TİCARET ANONİM ŞİRKETİ
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NOTE 7 – TRADE RECEIVABLES AND PAYABLES

	30 September 2022	31 December 2021
Short - term trade receivables		
Trade receivables		
- Related parties (note 6)	7.578.159	5.123.913
- Other parties	238.810	30.677
	7.816.969	5.154.590
Allowance for doubtful receivables (-)	(1.067)	(843)
Total short - term trade receivables	7.815.902	5.153.747

The Company provides allowance for doubtful receivables based on historical experience.

	30 September 2022	31 December 2021
Short term trade payables		
Trade payables		
- Related parties (note 6)	624.155	274.386
- Other parties	9.934.398	5.581.178
	10.558.553	5.855.564
Unearned interest income (-)		
- Related parties (note 6)	(1.967)	(740)
- Other parties	(25.850)	(12.106)
Total short term trade payables	10.530.736	5.842.718
Long term trade payables		
Trade payables		
- Other parties	195.731	181.003
Total long term trade payables	195.731	181.003

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NOTE 8 – OTHER RECEIVABLES

	30 September 2022	31 December 2021
Short - term other receivables		
Other receivables from related parties (note 6)	3.289.238	1.445.270
Receivables from government agencies	571.607	403.190
Deposits and guarantees given	14.238	9.222
Other receivables	4.228	1.984
	3.879.311	1.859.666
Long - term other receivables		
Deposits and guarantees given	21.193	17.901
	21.193	17.901
Short - term other payables		
Other payables		
- Related parties (note 6)	1.079.092	1.431.678
	1.079.092	1.431.678
Deferred Income		
- Related parties (note 6)	371.177	-
- Other parties	330.784	-
	701.961	-

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NOTE 9 – INVENTORIES

	30 September 2022	31 December 2021
Raw materials	2.892.380	1.883.450
Work in process	121.429	42.363
Finished goods	2.105.505	728.151
	5.119.314	2.653.964
Provision for impairment on inventories (-)	(31.097)	(4.576)
	5.088.217	2.649.388

As of 30 September 2022 the Company does not have inventories pledged as security for liabilities (31 December 2021: None).

Cost of the inventory included in the cost of sales for the current period amounts to TL 15.363.836 thousand (1 January – 30 September 2021: TL 8.557.008 thousand).

Movement of inventory impairment on inventories is as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance, 1 January	4.576	1.655
Current year additions	34.224	6.053
Realised due to sale of inventory	(7.703)	(4.571)
Balance at 30 September	31.097	3.137

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NOTE 10 – PREPAID EXPENSES

	30 September 2022	31 December 2021
Prepaid expenses in current assets		
Order advances given	292.364	136.086
Prepaid expenses	83.059	12.432
	375.423	148.723
Prepaid expenses in non-current assets		
Advances given for fixed asset purchases	407.027	237.586
Prepaid expenses	372	759
	407.399	238.345

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

	1 January 2022	Additions	Disposals	Transfer	30 September 2022
Cost or revaluation					
Land	755.907	-	-	-	755.907
Land improvements	64.057	95	-	-	64.152
Buildings	1.123.688	7.448	-	1.094	1.132.230
Leasehold improvements	13.784	1.917	-	313	16.014
Plant and machinery	2.647.355	521.538	(13.418)	139.890	3.295.365
Motor vehicles	834	526	-	-	1.360
Furniture and fixtures	121.975	18.543	(205)	5.699	146.012
Construction in progress	71.418	801.949	-	(146.996)	726.371
	4.799.018	1.352.016	(13.623)	-	6.137.411
Accumulated depreciation					
Land improvements	-	4.807	-	-	4.807
Buildings	-	49.846	-	-	49.846
Leasehold improvements	9.084	1.519	-	-	10.603
Plant and machinery	1.441.821	244.579	(11.646)	-	1.674.754
Motor vehicles	598	116	-	-	714
Furniture and fixtures	72.656	13.080	(201)	-	85.535
	1.524.159	313.947	(11.847)	-	1.826.259
Net book value	3.274.859				4.311.152

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Cont’d)

	1 January 2021	Additions	Disposals	Transfer	30 September 2021
Cost or revaluation					
Land	503.898	-	-	-	503.898
Land improvements	49.957	-	-	2	49.959
Buildings	643.223	7.644	(2)	780	651.645
Leasehold improvements	12.014	779	(5)	551	13.339
Plant and machinery	2.111.681	249.854	(7.529)	72.373	2.426.379
Motor vehicles	862	-	(26)	-	836
Furniture and fixtures	96.533	15.363	(694)	5.273	116.475
Construction in progress	32.149	89.824	-	(78.979)	42.994
	3.450.317	363.464	(8.256)	-	3.805.525
Accumulated depreciation					
Land improvements	-	1.376	-	-	1.376
Buildings	-	13.924	(1)	-	13.923
Leasehold improvements	7.326	1.297	(4)	-	8.619
Plant and machinery	1.192.071	198.396	(7.340)	-	1.383.127
Motor vehicles	496	96	(26)	-	566
Furniture and fixtures	60.120	9.945	(672)	-	69.393
	1.260.013	225.034	(8.043)	-	1.477.004
Net book value	2.190.304				2.328.521

Additions to property, plant and equipment in the period 1 January – 30 September 2022 and 2021 mainly consist of machinery and equipment investments made to refrigerator, washing machine, cooker, dishwasher and air conditioner factories. As of 30 September 2022, there are no pledges against the property, plant and equipment.

As of 30 September 2022, there are no pledges against the property, plant and equipments. (31 December 2021: None.)

Useful lives of property, plant and equipment is as follows:

	<u>Useful life</u>
Land improvements	5 - 35 years
Buildings	20 - 50 years
Leasehold improvements	5 years
Plant and machinery	3 - 15 years
Motor vehicles	5 years
Furniture and fixtures	5 - 10 years

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Cont’d)

Allocation of period depreciation and amortization expenses is as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Cost of sales	321.503	230.502
Research and development expenses	63.679	38.173
Marketing, selling and distribution expenses	1.440	10.257
General administrative expenses	2.828	2.404
	389.450	281.336

Cost and accumulated depreciation of land, land improvements and buildings before revaluation are as follows:

30 September 2022	Level 1	Level 2
Tangible Assets		
Lands	-	755.907
Buildings and land improvements	-	1.141.729
31 December 2021	Level 1	Level 2
Tangible Assets		
Lands	-	755.907
Buildings and land improvements	-	1.187.745

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NOTE 12 – RIGHT OF USE ASSETS

	1 January 2022	Additions	Disposal	30 September 2022
Cost				
Land and buildings	159.115	60.556	-	219.671
Machinery	44.035	4.378	(694)	47.719
	203.150	64.934	(694)	267.390
Accumulated amortization			-	
Land and buildings	37.674	27.461	-	65.135
Machinery	32.521	8.475	(12)	40.984
	70.195	35.936	(12)	106.119
Net book value	132.955			161.271

	1 January 2021	Additions	Disposal	30 September 2021
Cost				
Land and buildings	143.046	16.068	-	159.114
Machinery	39.111	4.924	-	44.035
	182.157	20.992	-	203.149
Accumulated amortization				
Land and buildings	13.507	17.701	-	31.208
Machinery	19.730	9.290	-	29.020
	33.237	26.991	-	60.228
Net book value	148.920			142.921

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NOTE 13 – INTANGIBLE ASSETS

	1 January 2022	Additions	Disposals	Transfers	30 September 2022
Cost					
Rights	6.568	-	-	-	6.568
Development cost	452.565	140.250	(30.375)	-	562.440
Other intangible assets	34.816	8.125	-	-	42.941
	493.949	148.375	(30.375)	-	611.949
Accumulated amortization					
Rights	6.410	16	-	-	6.426
Development cost	203.382	36.583	(2.261)	-	237.704
Other intangible assets	12.207	2.968	-	-	15.175
	221.999	39.567	(2.261)	-	259.305
Net book value	271.950				352.644

	1 January 2021	Additions	Disposals	Transfers	30 September 2021
Cost					
Rights	6.568	-	-	-	6.568
Development cost	366.325	77.766	(19.312)	-	424.779
Other intangible assets	23.577	7.225	-	-	30.802
	396.470	84.991	(19.312)	-	462.149
Accumulated amortization					
Rights	6.388	16	-	-	6.404
Development cost	163.901	27.577	(555)	-	190.923
Other intangible assets	9.742	1.718	-	-	11.460
	180.031	29.311	(555)	-	208.787
Net book value	216.439				253.362

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

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NOTE 13 – INTANGIBLE ASSETS (Cont’d)

Useful lives of intangible assets are as follows:

	<u>Useful life</u>
Rights	3 - 15 years
Development cost	2 - 10 years
Other intangible assets	2 - 15 years

NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	30 September 2022	31 December 2021
Short - term provisions		
Provision for lawsuit risks	9.346	9.724
	9.346	9.724

b) Guarantees received by the Company

	30 September 2022	31 December 2021
Guarantee letters	475.520	318.126
Cheques and notes	740	1.714
Collaterals and pledges	25.297.490	16.623.134
	25.773.750	16.942.974

Vestel Elektronik Sanayi ve Ticaret A.Ş. and Vestel Ticaret A.Ş. has given guarantees to various banks on behalf of the Company for its forward contracts and bank borrowings.

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NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)

c) Collaterals, pledges and mortgages (“CPM’s”) given by the Company are as follows:

CPM's given by the Group	USD (‘000)	EUR (‘000)	TL	TL Equivalent
30 September 2022				
A. CPM's given on behalf of its own legal entity	19.991	2.000	111.612	518.098
B. CPM's given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	501.542	-	714.412	10.002.318
i. Total amount of CPM's given on behalf of the parent company	380.820	-	589.049	7.641.340
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C.	120.722	-	125.363	2.360.978
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	521.533	2.000	826.024	10.520.416

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NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)

CPM's given by the Group	USD (‘000)	EUR (‘000)	TL	TL Equivalent
31 December 2021				
A. CPM's given on behalf of its own legal entity	-	2.000	55.557	84.922
B. CPM's given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	501.542	-	711.412	7.220.173
i. Total amount of CPM's given on behalf of the parent company	380.820	-	589.049	5.531.141
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C.	120.722	-	122.363	1.689.033
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C.	-	-	-	-
Total	501.542	2.000	766.969	7.305.095

The Company has given collaterals to various banks on behalf of Vestel Elektronik Sanayi and Ticaret A.Ş. Vestel Ticaret A.Ş. and Vestel Holland BV for their forward contracts and bank loans obtained.

Proportion of other CPM's given by the Company to its equity 192% as of 30 September 2022. (31 December 2021: 148%).

NOTE 15 – COMMITMENTS

As of the balance sheet date the Company has committed to realize exports amounting to USD 1.054.505 thousand (31 December 2021: USD 1.108.914 thousand) due to the export and investment incentive certificates obtained.

As of 30 September 2022 the Company has forward foreign currency purchase contract that amounts to TL 661.760 thousand, EUR 18.452 thousand, USD 168.272 thousand, PLN 11.416 thousand and GBP 10.891 thousand against forward foreign currency sales contract that amounts to USD 48.805 thousand, EUR 62.084 thousand, GBP 5.610 thousand, PLN 21.405 thousand and TL 2.334.632 thousand (31 December 2021: TL 1.544.300 thousand, EUR 15.499 thousand and USD 472.835 thousand against forward foreign currency sales contract that amounts to EUR 462.473 thousand, USD 27.332 thousand and GBP 7.000 thousand sales contracts).

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NOTE 16 – EMPLOYEE BENEFITS

Liabilities for employee benefits:

	30 September 2022	31 December 2021
Due to personnel	120.994	47.465
Social security payables	46.493	21.399
	167.487	68.864

Long term provisions for employee benefits:

	30 September 2022	31 December 2021
Provision for employment termination benefits	208.960	151.875

Under Turkish law, the Company is required to pay employment termination benefits to each employee whose employment is terminated without due caus. 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 Company 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 gross salary for each year of service and is limited to a maximum of TL 15.371,40 TL/year as of 30 September 2022 (31 December 2021: TL 8.284,51 TL/year).

The provision for employee termination benefits is not funded.

The provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. Turkish Accounting Standards No: 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 is described below:

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 at 30 September 2022 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 2022 provision is calculated based on real discount rate of 4,44% (31 December 2021: 4,44%) assuming %15,8 annual inflation rate and 20,9% discount rate.

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NOTE 16 – EMPLOYEE BENEFITS (Cont’d)

The movements in the provision for employment termination benefit are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Balance at 1 January	151.875	85.734
Increase during the year	31.314	20.625
Payments during the year	(18.900)	(8.611)
Actuarial (gain) /loss	19.141	3.781
Interest expense	25.530	8.870
Balance at 30 September	208.960	110.399

NOTE 17 – OTHER ASSETS AND LIABILITIES

	30 September 2022	31 December 2021
Other current assets		
VAT carried forward	915	254
Income and discount accruals	4.815	3.090
	5.730	3.344

	30 September 2022	31 December 2021
Other current liabilities		
Taxes and dues payable	77.503	38.369
Other	24.249	933
	101.752	39.302

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NOTE 18 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid in capital

	30 September 2022	31 December 2021
Shares of par value TL 1 each		
Issued share capital	1.600.000	1.600.000

As of 30 September 2022 and 31 December 2021 the shareholding structure is as follows:

	Shareholding		Amount	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Vestel Elektronik Sanayi ve Ticaret A.Ş.	80,66%	82,53%	1.290.560	1.320.552
Shares held by public	19,34%	17,47%	309.440	279.448
	100,00%	100,00%	1.600.000	1.600.000

Vestel Elektronik Sanayi ve Ticaret A.Ş. sold 30.000.000 shares of Vestel Beyaz Eşya Sanayi ve Ticaret A.Ş. at Borsa Istanbul on 20 September 2022. Following these transactions, Vestel Elektronik Sanayi ve Ticaret A.Ş.'s share in Vestel Beyaz Eşya declined to 80,66%.

b) Adjustments to share capital

Adjustment to share capital is the difference between the share capital recalculated to adjust the effects of hyperinflation until 31 December 2004 and historical share capital.

	30 September 2022	31 December 2021
Adjustment to share capital	9.734	9.734

c) Restricted reserves (“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 2022	31 December 2021
Legal reserves	233.843	98.506

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NOTE 18 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Cont’d)

e) Retained earnings

	30 September 2022	31 December 2021
Extraordinary reserves	635.293	1.185
Previous year’s profits	215.581	122.302
	850.874	123.487

f) Dividend distribution

For quoted companies dividends are distributed in accordance with the Communiqué Serial II -19.1 on “Principals Regarding Distribution of Interim Dividends” issued by the CMB effective from 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not state a minimum dividend rate. Companies distribute dividends in accordance with the method defined in their dividend policy or articles of association. Additionally, dividend can be distributed in fixed or variable installments and dividend advances can be paid over the profit on interim financial statements.

Unless the general reserves that has to be appropriated in accordance with TCC or the dividend to shareholders as determined in the articles of association or dividend policy are set aside; no decision can be taken to set aside other reserves, to transfer reserves to the subsequent year or to distribute dividends to holders of redeemed shares right certificates, to board of directors members or to employees; and no dividend can be distributed to those unless the determined dividend to shareholders is paid in cash.

On the other hand, in accordance with the Articles of Association of the Company, up to 5% of retained earnings after dividend distribution could be allocated to the Board of Directors or used for certain reasons designated by the Board of Directors when necessary.

- Based on the approval of the General Assembly, up to 3% of retained earnings after dividend distribution could be allocated to plant investments designated in accordance with article of 468 in TCC,
- Up to 5% of retained earnings after dividend distribution could be allocated to the Board of Directors as necessary,
- Up to 5% of retained earnings after dividend distribution could be allocated to donations, bonuses etc.

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NOTE 19 - REVENUE

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Domestic sales	6.123.527	2.666.237	2.138.614	912.168
Overseas sales	15.144.245	8.650.586	6.115.836	3.043.276
Gross sales	21.267.772	11.316.823	8.254.450	3.955.444
Less: Sales discounts	(71.670)	(48.568)	(28.469)	(31.992)
Net sales	21.196.102	11.268.255	8.225.981	3.923.452
Cost of sales	(17.323.684)	(9.636.220)	(6.995.852)	(3.485.020)
Gross profit	3.872.418	1.632.035	1.230.129	438.432

NOTE 20 - EXPENSES BY NATURE

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Raw materials, supplies and finished goods	16.819.806	8.932.621	6.319.790	3.145.133
Changes in finished goods, work in process and trade goods	(1.456.420)	(375.613)	(121.958)	(23.868)
Personnel expenses	1.292.056	723.891	550.586	241.738
Depreciation and amortization	389.450	281.336	133.405	99.095
Transportation expenses	1.183.015	66.998	646.254	25.064
Other	766.611	315.867	156.609	106.961
	18.994.518	9.945.100	7.684.686	3.594.123

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

a) General administrative expenses:

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Personnel expenses	70.971	22.543	47.898	7.256
Consultancy and IT expenses	85.132	40.717	29.154	14.271
Rent and office expenses	6.446	5.225	2.069	1.894
Travelling expense	2.837	1.213	1.186	391
Energy expenses	2.683	667	1.200	245
Depreciation and amortization	2.828	2.404	979	858
External benefits and services	590	878	130	237
Other	38.648	13.779	449	3.606
	210.135	87.426	83.065	28.758

b) Marketing expenses:

Personnel expenses	63.907	34.899	26.660	12.075
Transportation expenses	1.159.558	57.200	634.961	20.478
Tax and duties	34.232	16.585	11.904	6.601
Insurance expenses	18.987	3.620	9.389	1.651
Depreciation and amortization	1.440	10.257	515	5.437
Other	29.155	14.525	(139.067)	5.476
	1.307.279	137.086	544.362	51.718

c) Research and development expenses:

Depreciation and amortization	63.679	38.173	21.024	13.223
Personnel expenses	55.035	26.469	23.217	9.164
Other	34.706	19.726	17.166	6.240
	153.420	84.368	61.407	28.627

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NOTE 22 – OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES

a) Other operating income	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Credit finance gains arising from trading activities	16.621	4.115	4.107	996
Foreign exchange gains arising from trading activities	1.238.759	649.504	286.792	79.936
Other income	87.007	12.312	8.723	1.234
	1.342.387	665.931	299.622	82.166

b) Other operating expenses	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Debit finance charges arising from trading activities	37.230	3.387	5.735	1.267
Foreign exchange expenses arising from trading activities	2.229.243	726.596	662.197	99.747
Other expenses	36.037	23.961	15.306	13.809
	2.302.510	753.944	683.238	114.823

NOTE 23 – FINANCIAL INCOME AND FINANCIAL EXPENSE

a) Financial income:	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Foreign exchange gains	942.920	279.606	286.592	11.862
Gains on derivative financial instruments	1.257.695	364.722	604.732	160.485
Interest income	160.932	53.180	64.098	13.969
	2.361.547	697.508	955.422	186.316

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NOTE 23 – FINANCIAL INCOME AND FINANCIAL EXPENSE (Cont’d)

b) Financial expense:

	1 January - 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2022	1 July- 30 September 2021
Foreign exchange losses	532.368	191.704	136.969	16.229
Losses on derivative financial instruments	1.272.533	436.920	508.791	90.091
Interest expense	531.754	212.990	325.849	95.812
Other finance expenses	2.234	3.108	790	573
	2.338.889	844.722	972.399	202.705

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

	30 September 2022	31 December 2021
Corporation and income taxes	2.909	5.803
Prepaid taxes	(2.894)	(4.864)
Current income tax liabilities - net	15	939
Deffered tax assets	352.986	132.778
Deffered tax assets / (liabilities)	352.986	132.778

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses and by deducting other exempt income. If the profit is not distributed, no other tax is paid, and all or part of the profit as dividend;

- To real people
- Real and legal persons exempted or exempted from Income and Corporate Tax,
- Limited taxpayer real and legal entities,

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed at the rate of 15%, except for companies receiving dividends who are resident companies in Turkey. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

In Turkey, advance tax returns are filed on a quarterly basis at the rate of 23%, until the 14th day of the following month and paid until the 17th day. Advance tax returns files within the year are offset against corporate income tax calculated over the annual taxable corporate income.

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

According to the Corporate Tax Law, 50% of the capital gains arising from the sale of tangible assets and 75% of the earning from investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

There is no procedure for a final and definitive agreement on tax assessments. Tax returns are filed between 1-25 April following the close of the accounting year to which they relate. Tax authorities may however examine such returns and the underlying accounting records and may revise assessment within five years.

In accordance with the regulation numbered 31462, published in Official Gazette on 22 April 2021, corporate tax rate for the year 2021 has set for 25%, 2022 for 23%. This change will be effective for corporate tax calculation for the periods starting from 1 July 2021. This change will be valid for the taxation of corporate earnings for the periods starting from January 1, 2021, starting with the declarations that must be submitted as of July 1, 2021. Therefore, deferred tax assets and liabilities as of 30 September 2022 are calculated with 23% and 20% tax rates for the temporary differences.

As of 1 January – 30 September 2022 and 2021 tax expense in the statement of income is as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Current period tax expense	(2.909)	(4.857)
Deferred tax benefit / (expense)	178.026	22.199
Total tax income	175.117	17.342

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

Deferred tax assets and liabilities

The Company 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 CMB Financial Reporting Standards 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 temporary		Deferred tax	
	30 Eylül 2022	31 Aralık 2021	30 Eylül 2022	31 Aralık 2021
Deferred tax assets / liabilities				
Employment termination benefits	(208.960)	(151.875)	41.792	30.375
Investment incentive	-	-	370.209	228.430
Net difference between book values and tax bases of tangible and intangible assets	(168.454)	(100.000)	38.744	20.000
Provision for impairment on inventories	(31.097)	(4.576)	7.152	1.144
Derivative financial instruments	(165.749)	(40.310)	38.123	10.078
Revaluation of tangible fixed assets	1.582.049	1.627.515	(156.517)	(159.541)
Other	(63.612)	(9.167)	13.483	2.292
			352.986	132.778

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

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

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance, 1 January	132.778	(54.299)
Tax expense recognized in income statement	178.026	22.199
Recognized in shareholders' equity	42.182	(13.838)
Deferred tax liabilities at the end of the period, net	352.986	(45.938)

NOTE 25- EARNINGS PER SHARE

	1 January - 30 September 2022	1 January - 30 September 2021
Net (loss) / income attributable to equity holders of the parent	1.439.236	1.105.270
Weighted number of ordinary shares with a TL 1 of par value (thousand shares)	1.600.000	1.600.000
	0,90	0,69

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NOTE 26 – DERIVATIVE INSTRUMENTS

	30 September 2022		31 December 2021	
	Contract amount	Fair Value Assets / (Liabilities)	Contract amount	Fair Value Assets / (Liabilities)
<u>Derivative financial assets:</u>				
Held for trading				
Forward foreign currency transactions	490.015	2.028	96.988	3.793
Cash flow hedge				
Forward foreign currency transactions	630.496	61.734	4.797.224	189.332
<u>Derivative financial liabilities:</u>				
Held for trading				
Forward foreign currency transactions	752.630	(174.886)	3.013.866	(233.435)
Cash flow hedge				
Forward foreign currency transactions	2.493.211	(54.625)	-	-
	4.366.352	(165.749)	7.908.078	(40.310)

NOTE 27 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign currency risk:

The Company 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 Company mainly prefers using foreign exchange forward contracts.

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

30 September 2022	USD	EUR	Other (TL Equivalent)	TL Equivalent
1. Trade receivables	41.543	199.653	57.662	4.448.588
2a. Monetary financial assets (including cash and cash equivalents)	1.100	11.960	45.795	283.096
2b. Non-monetary financial assets	-	-	-	-
3. Other	177.617	-	-	3.289.238
4. Current assets (1+2+3)	220.260	211.613	103.457	8.020.922
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	1.370	13.387	-	268.212
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	1.370	13.387	-	268.212
9. Total assets (4+8)	221.630	225.000	103.457	8.289.134
10. Trade payables	269.896	193.300	384.187	8.904.015
11. Financial liabilities	67.500	18.000	-	1.579.367
12a. Other monetary liabilities	-	12.154	-	220.863
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	337.396	223.454	384.187	10.704.245
14. Trade payables	-	9.611	-	174.658
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	9.611	-	174.658
18. Total liabilities (13+17)	337.396	233.065	384.187	10.878.903
19. Off-balance sheet derivative instruments/ net asset (liability) position (19a+19b)	119.467	(26.365)	451.918	2.189.967
19a. Hedged total assets	168.272	18.452	260.214	3.704.604
19b. Hedged total liabilities	(48.805)	(44.817)	191.704	(1.514.637)
20. Net foreign currency asset/ (liability) position (9-18+19)	3.701	(34.430)	171.188	(399.802)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a-10-11-12a-14-15-16a)	(117.136)	(21.452)	(280.730)	(2.857.981)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(165.749)
23. Export	110.488	859.240	296.936	15.144.245
24. Import	440.465	177.166	10.363	9.889.556

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

31 December 2021	USD	EUR	Other (TL Equivalent)	TL Equivalent
1. Trade receivables	18.151	234.293	407	3.675.922
2a. Monetary financial assets (including cash and cash equivalents)	1.768	5.553	54	104.529
2b. Non-monetary financial assets	-	-	-	-
3. Other	49.687	54.519	-	1.445.270
4. Current assets (1+2+3)	69.606	294.365	461	5.225.728
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	2.869	8.065	-	155.645
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	2.869	8.065	-	155.645
9. Total assets (4+8)	72.475	302.430	461	5.381.373
10. Trade payables	242.059	123.435	1.794	4.955.424
11. Financial liabilities	-	45.299	-	665.087
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	242.059	168.734	1.794	5.620.511
14. Trade payables	-	12.328	-	181.003
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	12.328	-	181.003
18. Total liabilities (13+17)	242.059	181.062	1.794	5.801.515
19. Off-balance sheet derivative instruments/ net asset (liability) position (19a+19b)	398.230	(446.973)	(122.171)	(1.516.733)
19a. Hedged total assets	472.835	15.499	-	6.363.777
19b. Hedged total liabilities	(74.605)	(462.472)	(122.171)	(7.880.510)
20. Net foreign currency asset/ (liability) position (9-18+19)	228.646	(325.605)	(123.504)	(1.936.875)
21. Net foreign currency monetary asset/ (liability) position (=1+2a+3+5+6a-10-11-12a-14-15-16a)	(172.453)	113.303	(1.333)	(575.793)
22. Fair value of financial instruments used in foreign currency hedging	-	-	-	(40.310)
23. Export	96.640	1.133.142	1.499	12.714.457
24. Import	451.449	235.871	9.374	6.475.270

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

As of 30 September 2022 and 31 December 2021, sensitivity analysis of foreign exchange rate tables is presented below, secured portions include impact of derivative instruments.

	Gain / Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
30 September 2022				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(216.921)	216.921	(216.921)	216.921
Secured portion from USD risk (-)	(2.209)	2.209	(105.094)	105.094
USD net effect	(219.130)	219.130	(322.015)	322.015
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	(38.913)	38.913	(38.913)	38.913
Secured portion from EUR risk (-)	(51.398)	51.398	(91.904)	91.904
EUR net effect	(90.311)	90.311	(130.817)	130.817
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	(28.073)	28.073	(28.073)	28.073
Other currency net effect	(28.073)	28.073	(28.073)	28.073
Total	(337.514)	337.514	(480.905)	480.905

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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 2021				
+/- 10% fluctuation of USD rate:				
USD net asset / liability	(223.801)	223.801	(223.801)	223.801
Secured portion from USD risk (-)	37.208	(37.208)	515.777	(515.777)
USD net effect	(186.593)	186.593	291.976	(291.976)
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	166.356	(166.356)	166.356	(166.356)
Secured portion from EUR risk (-)	(172.244)	172.244	(631.879)	631.879
EUR net effect	(5.888)	5.888	(465.523)	465.523
+/- 10% fluctuation of other currency rates:				
Other currencies net asset / liability	(133)	133	(133)	133
Secured portion from other currency risk (-)	(12.238)	12.238	(12.238)	12.238
Other currency net effect	(12.371)	12.371	(12.371)	12.371
Total	(204.852)	204.852	(185.918)	185.918

NOTE 28- SUBSEQUENT EVENTS

None.