(Convenience translation of the consolidated financial statements originally issued in Turkish)

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2023 TOGETHER WITH AUDITOR'S REPORT

Building a better
working world

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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BİM Birleşik Mağazalar Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of BİM Birleşik Mağazalar Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Application of TFRS 16, "Leases", its impacts on the consolidated financial statements and notes to the consolidated financial statements	
The Group has right-of-use assets amounting to TRY 37.753.739 thousand and lease liabilities amounting to TRY 22.337.958 thousand in its consolidated financial statements. The amounts recognized as a result of the adoption of TFRS 16 are significant for the consolidated financial statements and the determination of the accounting policy requires the assessment of the Group management. In addition, the measurement of the right of use assets and financial lease liabilities are based on significant estimates and assumptions of the management. The substantial part of these estimates are interest rates used to discount cash flows and assessment of options to extend or terminate lease contracts. Therefore, the impacts of the first time adoption of TFRS 16 on the consolidated financial statements and the notes to the consolidated financial statements are determined as a key audit matter for our audit. Explanations regarding TFRS 16 are made in Notes 6 and 12.	The audit procedures performed in relation to the application of TFRS 16 include a combination of validation of key controls in leasing process and substantive tests. The completeness of the contract lists obtained from the Group management is evaluated. It is evaluated whether the contracts defined as lease contracts are within the scope of TFRS 16. The right of use assets and related financial lease liabilities recognised in the consolidated financial statements are recalculated by using rates such as interest rate, rent increase rate etc. for the selected lease contracts that are in scope of TFRS 16. The lease contracts used in the calculation of right of use assets and financial lease liabilities are selected on a sample basis and the compliance of the discount rates, term of the lease contacts and the assessment of the extension options applied if such options exist with the provision of the contract are tested. The disclosures in the consolidated financial statements in relation to the application of TFRS 16 is tested and the adequacy of such disclosures are evaluated.

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Key audit matters	How our audit addressed the key audit matter
Revenue recognition	
The Group operates in hard discount retail markets on domestic and abroad with 12.482 stores in total as of 31 December 2023. In addition to being the most important financial statement line item for the retail industry, revenue is one of the most important criteria for evaluation of performance and results of strategies applied by the management. Revenue, amounting to TRY 328.441.924 thousand for the year ended 31 December 2023 is material to the financial statements and its audit is a key audit matter since the completeness and accruacy of revenue transactions are difficult to audit due to the high volume of transactions, due to number of stores and the high number of sales points. Explanations regarding Revenue are made in Notes 18.	The audit procedures performed include a combination of validation of key controls in revenue recognition process, substantive tests and analytical procedures. The revenue recognition process was understood by way of inquiries with the process owners and the design effectiveness, implementation and operating effectiveness of key controls were evaluated with the support of our experts in Information Technology ("IT"). Access to programs, program changes and program development controls were tested by our IT experts. The controls of accounting entry of sales data to make sure that it can only be performed by the approval of accounting department, automatic transfers of sales data to accounting system, sales prices to cashboxes and sales transactions of stores to the accounting system at the end of the day were tested to make sure that pricing and invoicing of revenue are complete and accurate. Testing on a sample basis was performed for recognition of daily transfers made to the cash boxes. Substantive analytical procedures were performed in order to assess the variance in revenue. Annual inflation rate used in the analytics was obtained from independent sources, the square meters were tested by tracing to documents of stores on a sample basis. Thus, the reliability of data used was validated. Product and category based sales and gross margins were compared to prior periods and their consistency was evaluated.

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Key audit matter	***How our audit addressed the key audit matter***
Application of the hyperinflationary accounting	
As stated in Note 2 to the consolidated financial statements, the Group has started to apply "IAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per IAS 29 as of December 31, 2023. In accordance with IAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date. In accordance with the guidance in IAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2. Given the significance of the impact of IAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	Our audit procedures included the following; • We inquired management responsible for financial reporting on the principles, which they have considered during the application of IAS 29, identification of non-monetary accounts and tested IAS 29 models designed, • We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, • We have audited the restatements of corresponding figures as required by IAS 29, • We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with IAS 29.

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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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B) Report on Other Legal and Regulatory Requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on May 13, 2024.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Kaan Birdal.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
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Kaan Birdal, SMMM
Partner

May 13, 2024
İstanbul, Türkiye

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CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2023 AND DECEMBER 31, 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

ASSETS

	Notes	**Audited December 31, 2023**	Audited December 31, 2022
Current assets		**54.458.958**	46.717.906
Cash and cash equivalents	4	**3.606.782**	3.594.938
Financial investments	5	**3.381.545**	3.315.819
Trade receivables		**16.125.030**	11.656.606
- *Trade receivables from third parties*	*7*	***16.125.030***	*11.656.606*
Other receivables	8	**197.958**	181.067
- *Other receivables from related parties*		***1.023***	1.628
- *Other receivables from third parties*		***196.935***	179.439
Inventory	9	**27.327.716**	24.400.577
Prepaid expenses	14	**2.096.998**	1.743.024
Other current assets	16	**1.722.929**	1.825.875
Non-current assets		**93.673.773**	79.383.048
Financial investments	5	**4.413.585**	3.447.939
Other receivables		**137.260**	90.867
- *Other receivables from third parties*		***137.260***	*90.867*
Property, plant and equipment	10	**49.639.441**	45.058.844
Intangible assets		**182.157**	196.325
- *Other Intangible assets*	11	***160.043***	*174.211*
- *Goodwill*		***22.114***	*22.114*
Right of use assets	12	**37.753.739**	29.743.209
Prepaid expenses	14	**1.477.939**	751.274
Deferred tax assets	25	**69.652**	94.590
Total assets		**148.132.731**	126.100.954

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

CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2023 AND DECEMBER 31, 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

LIABILITIES

	Notes	**Audited December 31, 2023**	Audited December 31, 2022
Current liabilities		**54.073.990**	47.471.057
Short-term liabilities	6	**4.658.830**	4.037.553
- *Lease liabilities*		***4.658.830***	*4.037.553*
Trade payables		**45.144.521**	40.773.467
- *Trade payables due to related parties*	*28*	***2.945.307***	*4.092.521*
- *Trade payables due to third parties*	*7*	***42.199.214***	*36.680.946*
Other payables		**868**	1.434
- *Other payables due to third parties*		***868***	*1.434*
Deferred income	14	**347.391**	235.370
Payables related to employee benefits		**1.068.735**	716.345
Short term provisions		**591.314**	391.117
- *Provision for employee benefits*	*13*	***243.305***	*184.292*
- *Other short-term provisions*	*13*	***348.009***	*206.825*
Current income tax liabilities	25	**1.400.147**	585.295
Other current liabilities	16	**862.184**	730.476
Non-current liabilities		**24.317.006**	20.322.548
Long - term liabilities	6	**17.679.128**	15.588.299
- *Lease liabilities*		**17.679.128**	*15.588.299*
Non - current provisions		**1.199.093**	1.640.059
- *Provision for employee benefits*	*15*	***1.199.093***	*1.640.059*
Deferred tax liabilities	25	**5.438.785**	3.094.190
Equity		**69.741.735**	58.307.349
Paid-in share capital	17	**607.200**	607.200
Adjustments to share capital	17	**3.823.414**	3.823.414
Treasury Shares	17	**(2.319.695)**	(2.155.648)
Other comprehensive income/(expense) not to be reclassified to profit or loss		**11.405.824**	11.545.911
- *Property, plant and equipment revaluation fund*	*10,17*	***11.356.219***	*11.580.522*
- *Defined benefit plans revaluation fund loss*		***(1.349.785)***	*(828.859)*
- *Fair value increases in available-for-sale financial assets*		***1.399.390***	*794.248*
Other comprehensive income/(expense) to be reclassified to profit or loss		**(1.159.293)**	(759.929)
- *Foreign currency exchange difference*		***(1.159.293)***	*(759.929)*
Restricted reserves		**7.716.465**	7.138.932
Retained earnings		**33.597.335**	20.952.338
Net income for the period		**15.440.733**	16.596.239
Equity holders of the parent		**69.111.983**	57.748.457
Non-controlling interests		**629.752**	558.892
Total liabilities		**148.132.731**	126.100.954

The accompanying notes from an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	Audited January 1 - December 31 2023	Audited January 1 - December 31 2022
PROFIT OR LOSS			
Revenue	18	**328.441.924**	279.252.910
Cost of sales(-)	18	**(276.759.269)**	(237.182.345)
GROSS PROFIT		**51.682.655**	42.070.565
Marketing expenses (-)	19	**(42.214.147)**	(32.672.797)
General administrative expenses (-)	19	**(6.109.712)**	(3.887.274)
Other operating income	21	**1.507.063**	652.216
Other operating expense (-)	21	**(905.780)**	(361.172)
OPERATING PROFIT		**3.960.079**	5.801.538
Income related to investing activities	24	**1.157.821**	730.315
Expense related to investing activities (-)	24	**(309.458)**	-
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		**4.808.442**	6.531.853
Financial income	22	**394.967**	434.042
Financial expense (-)	23	**(2.777.179)**	(2.525.075)
Monetary gain		**19.618.382**	14.852.212
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		**22.044.612**	19.293.032
- Current tax expense	25	**(4.121.772)**	(2.830.225)
- Deferred tax income	25	**(2.477.551)**	136.625
PROFIT FROM CONTINUED OPERATIONS		**15.445.289**	16.599.432
NET INCOME FOR THE PERIOD		**15.445.289**	16.599.432
Profit for the period attributable to			
Equity holders of the parent		**15.440.733**	16.596.239
Non-controlling interest	27	**4.556**	3.193
Earnings per share			
Earnings per share from continued operations (Full TRY)	26	**25,86**	27,75
OTHER COMPREHENSIVE GAIN/LOSS			
Items not to be reclassified to profit/(loss)		**(140.087)**	11.545.911
Defined Benefit Pension Plan Revaluation (Loss),Net		**(520.926)**	(828.859)
Revaluation of Available for Sale Financial Assets Gain/(losses), Net		**605.142**	794.248
Gain/(losses) on revaluation of Property, Plant and Equipment, After Tax		**(224.303)**	11.580.522
Items to be reclassified to profit /(loss):		**(275.870)**	(571.007)
Currency exchange difference		**(275.870)**	(571.007)
Other Comprehensive Income		**(415.957)**	10.974.904
Total comprehensive income		**15.029.332**	27.574.336
Total comprehensive income attributable to			
Non-controlling interest	27	**128.050**	72.246
Equity holders of the parent		**14.901.282**	27.502.090

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

					Audited								
					Other comprehensive income not to be reclassified to profit or loss			**Other comprehensive income to be reclassified to profit or loss**	**Retained earnings**				
	Paid-in share capital	**Adjustments to share capital**	**Treasury shares**	**Restricted reserves**	**Fair value changes in available-for-sale financial assets**	**Property, plant and equipment revaluation fund**	**Actuarial loss on defined benefit plans**	**Foreign currency exchange differences**	**Retained earnings**	**Net income for the period**	**Equities of the Parent**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2022	607.200	3.823.414	(1.989.528)	6.670.991	-	-	-	(119.869)	16.658.928	7.937.408	33.588.544	550.701	34.139.245
Transfers		-		295.148	-	-	-	-	7.642.260	(7.937.408)	-	-	-
Increase/decrease due to acquisition of treasury shares	-	-	(166.120)	166.120	-	-	-	-	(166.120)	-	(166.120)	-	(166.120)
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	(3.182.730)	-	(3.182.730)	(64.055)	(3.246.785)
Increase Due to Other Changes	-	-	-	6.673	-	-	-	-			6.673	-	6.673
Net income for the period	-	-	-	-	-	-	-	-		16.596.239	16.596.239	3.193	16.599.432
Other Comprehensive income	-	-	-	-	794.248	11.580.522	(828.859)	(640.060)	-	-	10.905.851	69.053	10.974.904
Total comprehensive income	-	-	-	-	794.248	11.580.522	(828.859)	(640.060)	-	16.596.239	27.502.090	72.246	27.574.336
Balance at December 31, 2022	607.200	3.823.414	(2.155.648)	7.138.932	794.248	11.580.522	(828.859)	(759.929)	20.952.338	16.596.239	57.748.457	558.892	58.307.349
Balance at January 1, 2023	**607.200**	**3.823.414**	**(2.155.648)**	**7.138.932**	**794.248**	**11.580.522**	**(828.859)**	**(759.929)**	**20.952.338**	**16.596.239**	**57.748.457**	**558.892**	**58.307.349**
Transfers	-	-	-	**413.486**	-	-	-	-	**16.182.753**	**(16.596.239)**	-	-	-
Increase/decrease due to acquisition of treasury shares	-	-	**(164.047)**	**164.047**	-	-	-	-	**(164.047)**	-	**(164.047)**	-	**(164.047)**
Increase Due to Other Changes	-	-	-	-	-	-	-	-	**59.879**	-	**59.879**	-	**59.879**
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	**(3.433.588)**	-	**(3.433.588)**	**(57.190)**	**(3.490.778)**
Net income for the period	-	-	-	-	-	-	-	-		**15.440.733**	**15.440.733**	**4.556**	**15.445.289**
Other comprehensive income	-	-	-	-	**605.142**	**(224.303)**	**(520.926)**	**(399.364)**	-	-	**(539.451)**	**123.494**	**(415.957)**
Total comprehensive income	-		-	-	**605.142**	**(224.303)**	**(520.926)**	**(399.364)**	-	**15.440.733**	**14.901.282**	**128.050**	**15.029.332**
Balance at December 31, 2023	**607.200**	**3.823.414**	**(2.319.695)**	**7.716.465**	**1.399.390**	**11.356.219**	**(1.349.785)**	**(1.159.293)**	**33.597.335**	**15.440.733**	**69.111.983**	**629.752**	**69.741.735**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	**Audited** **January 1- December 31, 2023**	Audited January 1- December 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		**20.030.459**	16.722.063
Profit for the period		**15.445.289**	16.599.432
Adjustments to reconcile profit for the period		**7.845.170**	7.246.611
Depreciation and amortization	10,11,12	**10.392.339**	8.121.830
Provisions for impairments		**98.279**	1.728
- Provisions for impairments of inventories	9	699	1.525
- Allowance for doubtful receivables	8	(422)	203
- Adjustments related to impairment (cancellation) of tangible fixed assets	10	98.002	-
Adjustments related to provisions		**847.626**	(342.970)
- Adjustments related to provision for employment termination benefits	13,15	706.442	403.469
- Adjustments related to the legal provisions	13	124.714	(393)
- Adjustments related to other provisions	13	16.470	(746.046)
Adjustments related to financial income and expense		**3.649.804**	3.103.632
- Adjustments related to financial expenses	23	2.381.851	2.084.282
- Adjustments related to deferred financial expense from future purchases.	29	1.267.953	1.019.350
Other adjustments related cash flows arising from investing and financing activities		**2.445.362**	2.798.232
Adjustments for tax expense	25	**6.599.323**	2.693.600
Gain/(loss) on sale of property and equipment and Intangible assets	24	**(311.590)**	(23.932)
Adjustments related to unrealized currency exchange differences		**(208.592)**	(302.302)
Monetary Gain / Loss		**(14.191.551)**	(8.226.512)
Other adjustments related profit (loss) reconciliation		**(1.475.830)**	(576.695)
Changes in net working capital		**1.166.117**	(1.967.759)
Increases/decreases in inventories		**(2.927.838)**	(5.070.876)
Increases/decreases in trade receivables		**(4.468.424)**	(1.437.622)
Increases/decreases in other assets		**(55.383)**	(52.257)
Increases/decreases in trade payables		**3.103.101**	6.478.150
Increases/decreases in other payables		**(566)**	272
Increases/decreases other net working capital		**5.515.227**	(1.885.426)
Net cash generated from operating activities		**24.456.576**	21.878.284
Income taxes paid	25	**(3.371.640)**	(3.727.273)
Employee benefits paid	15	**(1.054.477)**	(244.895)
Other cash outflow	13	**-**	(1.184.053)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(11.640.803)**	(9.559.311)
Proceeds from sale of tangible and intangible assets		**749.541**	128.381
Cash outflows from purchases of tangible and intangible assets	10,11	**(10.514.717)**	(8.342.307)
- Purchases of tangible assets		(10.453.730)	(8.315.975)
- Purchases of intangible assets		(60.987)	(26.332)
Participation (profit) share and cash inflows from other financial instruments	24	**(1.155.689)**	(704.350)
Cash advances given and liabilities		**(719.938)**	(641.035)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(8.225.877)**	(7.560.594)
Cash inflows (outflows) from financial liabilities	6	**-**	(273.853)
Cash outflows from payments of rent agreements	6	**(4.571.052)**	(3.622.978)
Dividend paid	17	**(3.490.778)**	(3.497.643)
Cash inflows/(outflows) related to the company's own shares and receivables based on other equity instruments	17	**(164.047)**	(166.120)
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY EXCHANGE DIFFERENCES (A+B+C)		**163.779**	(397.842)
D. EFFECTS OF CURRENCY EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		**(141.413)**	(69.535)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**22.366**	(467.377)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	**3.584.416**	4.051.793
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	4	**3.606.782**	3.584.416

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

1. Organization and nature of operations of the Group

BİM Birleşik Mağazalar Anonim Şirketi ("BİM" or "the Company") was established on 31 May 1995 and commenced its operations in September 1995. The registered address of the Group is Ebubekir Cad. No: 73 Sancaktepe, İstanbul.

The Company is engaged in operating retail stores through its retail shops throughout Turkey, which sell an assortment of approximately 900 items, including a number of private labels. The Company is publicly traded in Istanbul Stock Exchange (ISE) since July 2005.

The Company established a new company named BIM Stores S.A. on 19 May 2008 with 100% ownership in Morocco which is engaged in hard discount retail sector and started to operate on 11 July 2009. As of May 4, 2021, the shares of BIM Stores S.A. ("Bim Morocco") representing 35% of its capital were sold to Blue Investment Holding. Full control of BIM continues and the relevant minority share amounts are stated in the financial statements and footnote 27. BIM Stores S.A. financial statements are consolidated by using the full consolidation method as of December 31, 2023.

The Company established a new company named BIM Stores LLC ("Bim Egypt") on 24 July 2012 with 100% ownership in Egypt which is engaged in that hard discount retail sector and first stores of BIM Stores LLC were opened in April 2013. BIM Stores LLC financial statements are consolidated by using the full consolidation method as of December 31, 2023.

GDP Gıda Paketleme ve Sanayi ve Ticaret A.Ş. ("GDP Gıda"), which is a 100% subsidiary to provide the supply and packaging of various foodstuffs, especially rice and pulses, became a legal entity and started its activities with the completion of the registration procedures in 2017. GDP Gıda financial statements are consolidated by using the full consolidation method as of December 31, 2023.

Dost Global Danışmanlık A.Ş. ("Dost Global"), is a 100% subsidiary to reach a more efficient organizational structure within the scope of the foreign investments of the Company was established 8 January 2020. Dost Global financial statements are consolidated by using the full consolidation method as of December 31, 2023.

Es Global Gıda Sanayi ve Ticaret A.Ş, ("Es Global") which is a 100% subsidiary to produce especially some of biscuits and confectionery products sold in the stores of the Company was established on 27 September 2021. Es Global financial statements are consolidated by using the full consolidation method as of December 31, 2023.

In order to improve the sustainability of the Company's supply in the fresh fruit and vegetable category, the acquisition of Bircan Fide Tohum Tarım Nakliyecilik Sanayi ve Ticaret Anonim Şirketi, ("Bircan Fide") which is a 100% subsidiary, was realized as of 14 October 2021. The financial results of Bircan Fide are consolidated in accordance with the full consolidation method in the financial statements dated December 31, 2023.

İdeal Standart Mümessillik San. ve Tic. A.Ş. ("İdeal Standart") which is a 100% subsidiary of the Company for the production of toothbrush products sold in the Company's stores. ("Ideal Standard") acquired all the shares of its subsidiary on January 30, 2012. Ideal Standard's financial results have been consolidated in the financial statements as of December 31, 2023 according to the full consolidation method.

Hereinafter, the Company and its consolidated subsidiaries together will be referred to as "the Group".

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

1. Organization and nature of operations of the Group (Cont'd)

Approval of financial statements:

Shareholder structure of the Group is stated in Note 17. Board of Directors has approved the financial statements and delegated authority for publishing it on May 13, 2024.

Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issues.

For the periods ended December 31, 2023 and 2022, the year-end number of employees in accordance with their categories is shown below:

	December 31, 2023	December 31, 2022
Office personnel	4.315	4.010
Warehouse personnel	8.092	7.120
Store personnel	74.240	68.679
Total	**86.647**	79.809

As of December 31, 2023, the Group operates in 12.482 stores (December 31, 2022: 11.510).

2. Basis of preparation of financial statements

2.1 Basis of Presentation

Applied Financial Reporting Standards

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

The Company and its subsidiaries operating in Turkey, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

Financial Reporting in Hyperinflationary Economies

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements (Cont'd)

2.1 Basis of presentation (Cont'd)

The accompanying financial statements are prepared on a historical cost basis, except for financial investments measured at fair value and investment properties measured at revalued amounts.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

On the application of TAS 29, the entity used the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkey Statistical Institute according to directions given by POA. The CPI for current and previous year periods and corresponding conversion factors since the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e., since 1 January 2005, were as follow:

Year-end	Index	Index, %	Conversion Factor
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1,00000

Assets and liabilities were separated into those that were monetary and non–monetary, with non–monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

2. Basis of preparation of financial statements (Cont'd)

2.1 Basis of presentation (Cont'd)

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

2.2 New and Revised Turkish Accounting Standards

As of 31 December 2023, the accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2023, are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2023, and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

The amendments did not have a significant impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (Cont'd)

2.2. The new standards, amendments and interpretations (Cont'd)

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

The amendments did not have a significant impact on the financial position or performance of the Group.

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

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The amendments did not have a significant impact on the financial position or performance of the Group.

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

The amendments did not have a significant impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (Cont'd)

2.2. The new standards, amendments and interpretations (Cont'd)

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

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

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA:

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

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.
The Group will wait until the final amendment to assess the impacts of the changes.

2. Basis of preparation of financial statements (Cont'd)

2.2. The new standards, amendments and interpretations (Cont'd)

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The effects of the change on the Group's consolidated financial position and performance are being evaluated.

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

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

2. Basis of preparation of financial statements (Cont'd)

2.2. The new standards, amendments and interpretations (Cont'd)

Amendments to IAS 21 - Lack of exchangeability

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

The amendments did not have a significant impact on the financial position or performance of the Group.

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

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

The amendments did not have a significant impact on the financial position or performance of the Group.

2.3. Statement of compliance to TAS

The Group prepared its consolidated financial statements for the period ended December 31, 2023 in accordance with the framework of the Communiqué Serial: II and numbered 14.1 and its related announcements. The consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including the mandatory disclosures.

2.4. Presentation and functional currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira ("TRY"), which is the functional of the Company and the presentation currency of the Group. The functional currency of the Company's subsidiary, BIM Stores S.A., is Moroccan Dirham ("MAD").

In the consolidated financial statements, MAD amounts presented in the balance sheet for assets and liabilities are translated into Turkish Lira at the TRY which is the functional and reporting currency of the Company, 1 TRY = 0,3360 MAD and 1 TRY = 0,3354 exchange rates respectively and in the conversion of the income statement, the average exchange rate occurred during the period, 1 TRY = 0,4264 MAD rate is taken as the basis. Differences that occur by the usage of closing and average exchange rates are followed under currency exchange differences classified under equity.

The functional currency of the Company's other subsidiary, BIM Stores LLC is Egyptian Pound ("EGP"). In the consolidated financial statements, EGP amounts presented in the balance sheet for assets and liabilities are translated into Turkish Lira at the TRY which is the functional and reporting currency of the Company, 1 TRY = 1,0477 EGP and 1 TRY = 1,0491 EGP exchange rates respectively and in the conversion of the income statement, the average exchange rate occurred during the period, 1 TRY = 1,2887 EGP rate is taken as the basis.
Differences that occur by the usage of closing and average exchange rates are followed under currency exchange differences classified under equity.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries prepared for the period ended December 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive incomes are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

i) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are shown in the consolidated financial statements from the date of formation of the controlling power to the date of termination.

ii) Non-controlling interest:

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2. Basis of preparation of financial statements (Cont'd)

2.5 Basis of consolidation (Cont'd)

iii) Partial share purchase and sale transactions with non-controlling interests

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Accordingly, in the case of additional share purchases from and sales to non-controlling interests, the difference between the acquisition cost and the carrying amount of the net assets of the subsidiary in proportion to the acquired interest is recognized in equity. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

iv) Eliminations:

During the preparation of the carve-out consolidated financial statements, unrealized gains and losses arising from intra-group transactions between entities included in the carve-out consolidated financial statements, intra-group balances and intra-group transactions are eliminated. Gains and losses arising from the transactions between the associate and the parent company and the consolidated subsidiaries of the parent company and jointly controlled entities are offset against the parent company's interest in the associate. Unrealized losses are eliminated in the same manner as unrealized gains, unless there is evidence of impairment.

2.6 Comparatives and restatement of prior periods' financial statements

Intercompany balances and transactions between BİM and its subsidiaries, including unrealized intercompany profits and losses are eliminated. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

The financial statements of the Group for the current period are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. Comparative information is reclassified in the current period in order to comply with the presentation of the financial statements.

Offsetting

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

Accounting estimates

The preparation of consolidated financial statements in accordance with TAS require the Group management to make estimates and assumptions that affect certain reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in income statement in the periods in which they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are mainly related with accounting of employee termination benefits, provision for inventories, revaluation of land and buildings, assessment of economic useful lives of property, plant and equipment and intangibles , determination of the interest rates used to discount cashflows and the lease period used in the calculation of the right of use of assets and lease liabilities, provision for income taxes.

2.7 Changes in accounting policies

The Group changes accounting policies when it is believed that the change will lead to better presentation of transactions and events in the financial statements. When the intentional change can affect the prior period results, the change is applied retrospectively as though it was already applied before. Accounting policy changes arising from the application of a new standard are applied considering the transition principles of the related standard, if any, retrospectively or forward. If no transition principle for the standard exists, the changes are applied retrospectively.

2.8 Summary of significant accounting policies

Revenue recognition

Revenue is recognized on accrual basis over the amount obtained or the current value of the amount to be obtained when the delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is reasonably assured. Revenue is recognized when customers obtain control of the goods. The cycle of control takes place at a certain time. Net sales represent the invoiced value of goods less any sales returns. Retail sales are done generally with cash or credit cards and the control is transferred to customers at the same time and revenue is recognized at the time of sale.

Sales of Goods

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

- Identification of contracts with customers,
- Definition of performance obligations in contracts,
- Determination of transaction price in contracts,
- Distribution of transaction fee to performance obligations, and
- Revenue recognition.

Financial income

Profit shares income from participation banks are recognized in accrual basis.

Dividend income

Dividend income from investments is reflected in the consolidated financial statements when the shareholders are entitled to receive dividends.

Currency protected deposit accounts

Currency-protected deposit accounts are financial assets with cash flows that include principal and interest or dividends, but they also feature a derivative product, as these cash flows may change depending on the change in exchange rates. Therefore, currency protected deposit accounts are treated as hybrid contracts and accounted for as financial assets whose fair value is recognized in profit or loss in line with the provisions of TFRS 9 regarding mixed contracts.

Changes in the fair value of currency-protected deposit accounts are accounted for under "Income from Investing Activities" in the Statement of Profit or Loss and Other Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

Trade receivables

Trade receivables comprise trade receivables, credit card receivables and other receivables with fixed or determinable payments and are not quoted in an active market; which have an average maturity of 15 days term (December 31, 2022: 14 days) as of balance sheet date are measured at original invoice amount and if they have long term maturity, the imputing interest is netted off and the provision of doubtful receivable is deducted. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate and credit card receivables are measured at the original invoice.

Estimate is made for the doubtful provision when the collection of the trace receivable is not probable. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Group has preferred to apply "simplified approach" defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortized cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group 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.

Inventories

Inventories are valued at the obtained cost price or the lower net realizable value. Costs comprise purchase cost and, where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out (FIFO) method. Rebates which generate from sales from ordinary operations are deducted from cost of inventories and associated with cost of sales. Net realizable value is the estimated selling price less estimated costs necessary to realize sale.

Right-of-Use Assets and Lease Liabilities

The Group has applied the TFRS-16 standard as of January 1, 2019.

Group - lessee

The Group's leases are mainly consisting of retail stores,warehouse and vehicles. At inception of a contract, the Group shall assess whether the 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 for a period of time, the Group shall assess whether, throughout the period of use, the customer has the followings:

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),

- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),

- The Group has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset,
- The right to direct the use of the identified asset. The Company has the right to direct the use of an identified asset throughout the period of use only if either

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

a) The Group has the right to direct how and for what purpose the asset is used throughout the period of use
b) the relevant decisions about how and for what purpose the asset is used are predetermined.

The Group recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criteria.

Right of use asset

At the commencement date, the Group shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

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 Group
d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset,

To apply a cost model, the Group shall measure the right-of-use asset at cost:

a) less any accumulated depreciation and accumulated impairment losses and
b) adjusted for any remeasurement of the lease liability.

The Group shall apply the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset. The average useful lives of right-to-use assets are as follows:

	Duration (Year)
Buildings	10
Vehicles	4

The Company shall apply TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

At the commencement date, the Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the financing rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments, less any lease incentives receivable
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

After the commencement date, the Group shall measure the lease liability by:

a) increasing the carrying amount to reflect interest on the lease liability,
b) reducing the carrying amount to reflect the lease payment made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in substance fixed lease payments. The Group reflects the remeasurement amount of the lease liability in its financial statements as an adjustment for the right-of-use asset.

Extension and early termination options

Lease contracts are made for average 10 annual periods. The lease liability is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options included in the contracts are composed of the options that are applicable by the Group. The Group determines the lease term by the extension of the lease, if such extension and early termination options are at the Group's discretion and the use of the options is reasonably certain. If there is a significant change in the circumstances, the evaluation is reviewed by the Group.

Practical expedient

The Group applied a single discount rate to a rental portfolio with similar features. Initial direct costs were not included in the measurement of the right to use at the date of initial application. If the contract includes options to extend and terminate the contract, the lease term is determined and the management's evaluations are used.

Property, plant and equipment

All property and equipment is initially recorded at cost. Land and building are subsequently measured at revalued amounts which are the fair value at the date of the revaluation, based on valuations by external independent valuers, less subsequent depreciation for building. Group revaluates the amounts of their lands and buildings every 3 years with the CMB-licensed valuation firm unless there is a change in the circumstances. All other property and equipment is stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the related accounts and any gain or loss resulting from their disposal is included in the statement of income. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset ready for use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. If the asset recognition criteria are met, the expenditures are capitalized as an additional cost of property and equipment.

Increases in the carrying amount arising on revaluation of property are initially credited to revaluation reserve in shareholders' equity net of the related deferred tax. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against property and equipment revaluation reserve directly in equity; all other decreases are charged to the income statement.

Depreciation is provided on cost or revalued amount of property and equipment except for land and construction in progress on a straight-line basis. The depreciation periods for property and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

Property, plant and equipment

	Duration (Years)
Land improvements	5
Buildings	25
Leasehold improvements	10
Machinery and equipment	4 - 10
Vehicles	5 - 10
Furniture and fixtures	5 - 10

The economic useful life, the present value and the depreciation method are regularly reviewed for possible effects of changes in estimates, the method used and the period of depreciation are closely aligned with the economic benefits to be gained from the related asset and are recognized on a prospective basis.

When a revaluated asset is sold, revaluation reserve account is transferred to retained earnings.

Leasehold improvement

The economic useful life for special costs is in line with the average duration of the lease contracts which is 10 years.

Intangible assets

Intangible assets which mainly comprise software rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized on a straight-line basis over the best estimate of their useful lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the function of the intangible asset.

The Group does not have any intangible assets with indefinite useful lives.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the identifiable net assets of the acquiree over the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree. If the total transferred consideration, recognized non-controlling interests and previously held interests measured at fair value are less than the fair value of the net assets of the acquired subsidiary, for example in a bargain purchase, the difference is recognized directly in the statement of profit or loss.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. The carrying amount of goodwill is compared with its recoverable value, which is the higher of its value in use and fair value less costs to sell. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement and is not reversed in subsequent periods

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income.

The recoverable amount of property and equipment is the greater of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life while the net selling price is the amount obtainable from the sale of an asset after cost of sales deducted. For the purposes of assessing impairment, assets are grouped by regions which are determined operationally (cash-generating units).

Financial assets

Classification

The group classifies its financial assets in the following categories: amortized cost , fair value through other comprehensive income, and fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Trade receivables, cash and cash equivalents, lease certificate and investment funds are classified in this category.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss consist of "financial asset", which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short run, irrespective of the reason of acquisition, and kept for trading purposes. Financial assets that are measured by their fair value and associated with the profit or loss statement are initially reflected on the consolidated statement of financial position with their costs including the transaction cost. These financial assets are valued based on their fair value after they are recognized. Realized or unrealized profit and losses are recognized under "income/expense from investing activities".

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Financial assets measured at amortized cost are subsequently carried at amortized cost using the effective interest method.

Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise not to be measured at fair value through profit or loss, to present subsequent changes in fair value in other comprehensive income. In such cases, dividends from those investments are accounted for under consolidated statement of income.

Offsetting financial instruments

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

Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its balance sheet when only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

All the normal sales or purchase transactions of financial assets are recorded at the transaction date that the Group guaranteed to purchase or sell the financial asset. These transactions generally require the transfer of financial asset in the period specified by the general conditions and the procedures in the market.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

All regular way financial asset purchase and sales are recognized at the date of the transaction, the date the Group committed to purchase or sell.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset is impaired.

Financial assets measured at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Provision for impairment is provided when there is an objective evidence of uncollectibility of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account.

Financial assets classified as financial assets at fair value through other comprehensive income, accumulated fair value adjustments shown in equity when sold or impaired are classified into retained earnings.

Trade payables

Trade payables which generally have an average of 57 days term (December 31, 2022: 57 days) are initially recorded at original invoice amount and carried at amortized cost less due date expense. Due date expense is accounted for under cost of sales. This amount is the fair value of consideration to be paid in the future for goods and services received, whether or not billed.

Gift cards recognition

The gift cards that the Group sells to customers are classified under deferred income. Revenue is recognized when these gift cards are used by the customers.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise.

Foreign currency conversion rates used by the Group for the related period ended are as follows:

	US Dollars/TRY (full)	EUR /TRY (full)	GBP/TRY (full)
December 31, 2023	29,4382	32,5739	37,4417
December 31, 2022	18,6983	19,9349	22,4892

Earnings per share

Earnings per share are determined by dividing net income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events after balance sheet date

Post year/period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year/period-end events that are not adjusting events are disclosed in the notes when material.

Provisions, contingent assets and contingent liabilities

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial liability.

ii) Contingent assets and liabilities

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements but they are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is probable.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

Related parties

a) A person or a close member of that person's family is related to a reporting entity if that person:

  i) Has control or joint control over the reporting entity,
  ii) Has significant influence over the reporting entity, or,
  iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

  i) The entity and the reporting entity are members of the same group,
  ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
  iii) Both entities are joint ventures of the same third party,
  iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
  v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
  vi) The entity is controlled or jointly controlled by a person identified in (a),
  vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Income taxes

Current Income Taxes and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity or other comprehensive income. In such case, the tax is recognized in shareholders' equity or other comprehensive income. The current period tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

2. Basis of preparation of financial statements (Cont'd)

2.8 Summary of significant accounting policies (Cont'd)

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Employee Benefits

a) Defined benefit plans:

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnity payments to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. As detailed in Note 15, the employee benefit liability is provided for in accordance with TAS 19 "Employee Benefits" and is based on an independent actuarial study.

Actuarial gains and losses that calculated by professional actuaries, are recognized in the actuarial gain/loss fund regarding employee termination benefits in the equity. Recognized gains and losses shall not be transferred to comprehensive statement of income in the following periods. Reserve for employee termination benefits is recognized to financial statements that calculated with the discount rate estimated by professional actuarial.

b) Unused vacation

Unused vacation rights accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the balance sheet date.

3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers of the Group. The chief operating decision makers, who are responsible for allocation resources and assessing performance of the operating segments, have been identified as the senior management that makes strategic decisions.

The senior management of the Group makes strategic decisions as a whole over the operations of the Group as the Group operates in a single industry and operations outside Turkey do not present an important portion in overall operations. Based on those reasons, there is a single reportable segment in accordance with the provisions in TFRS 8 and segment reporting is not applicable.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

4. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	**1.281.313**	961.241
Banks		
- Demand deposits	**1.454.681**	1.311.197
- Profit share deposits	**-**	494.319
Cash in transit	**870.788**	828.181
Cash and cash equivalents	**3.606.782**	3.594.938
Less: Accrual for profit share	**-**	(10.522)
Cash and cash equivalents for cash flow	**3.606.782**	3.584.416

As of December 31, 2023 and December 31, 2022 there is no restricted cash. As of December 31, 2023, there are no participation accounts. (As of December 31, 2022: Gross rate for TL and FX is 21.00%). Since the profit share deposits are not used for investment purposes by the Group, are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value, profit share deposits are classified as cash and cash equivalents.

5. Financial assets

a) Short-term financial assets

As of December 31,2023, and December 31, 2022 Group's short-term financial investments measured at fair value through profit and loss are detailed in the table below:

	December 31, 2023	December 31, 2022
Lease certificates	**307.671**	-
Real estate investment funds	**3.073.874**	3.315.819
	3.381.545	3.315.819

b) Long-term financial assets

Financial investments amounting to TRY 4.413.585 as of December 31, 2023 are detailed below (December 31, 2022: TRY 3.447.939).

i) *Financial assets measured at fair value through other comprehensive income:*

The details of financial assets measured at fair value through other comprehensive income and fair values of the Group are as below:

Name of subsidiary	**Share (%)**	**December 31, 2023**	Share (%)	December 31, 2022
FLO Mağazacılık ve Pazarlama A.Ş. (*)	**11,5**	**4.413.585**	11,5	3.447.939
		4.413.585		3.447.939

(*) As of December 31, 2023 the fair value of available-for-sale financial asset is calculated by using discounted cash flow analysis method with discount rate used as 24% and the terminal growth rate used as 10.7%.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

6. Financial liabilities

a) Bank Loans

As of December 31, 2023, the Group has no short-term interest-free financial debts from banks.

b) Lease Liabilities

Short-term portion of long-term liabilities	**December 31, 2023**	December 31, 2022
Lease liabilities	**4.658.830**	4.037.553
	4.658.830	4.037.553

Long-term lease liabilities	**December 31, 2023**	December 31, 2022
Lease liabilities	**17.679.128**	15.588.299
	17.679.128	15.588.299
Total borrowings	**22.337.958**	19.625.852

As of the report date, the maturity dates of the financial liabilities are as follows:

	December 31, 2023	December 31, 2022
Shorter than 3 months	**3.020.792**	1.137.327
3 - 12 month	**1.638.038**	2.900.226
More than 12 months	**17.679.128**	15.588.299
	22.337.958	19.625.852

Fair values are determined by using average effective annual financing rates.

As of December 31,2023, and 2022, the movement table of the Group's liabilities arising from leasing transactions is as follows.

	December 31, 2023	December 31, 2022
Opening - January 1	**19.625.852**	21.764.365
Cash outflows from payments of lease liabilities	**(4.571.052)**	(3.622.978)
Additions (Note 12)	**19.523.746**	9.241.146
Changes in financial expenses accrual (Note 23)	**2.381.851**	2.084.282
Exchange rate differences	**120.870**	108.501
Change in accruals for termination of lease (Note 21)	**(350.729)**	(127.557)
Foreign currency exchange differences	**(1.005.069)**	(2.104.288)
Monetary gain/ loss	**(13.387.511)**	(7.717.619)
Closing - December 31	**22.337.958**	19.625.852

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

7. Trade receivables and payables

a) Trade receivables from third parties

	December 31, 2023	December 31, 2022
Credit card receivables	**16.098.996**	11.626.514
Trade receivables from third parties	**25.461**	29.482
Other trade receivables	**573**	610
	16.125.030	11.656.606

As of December 31, 2023 the average term of trade receivables is 15 days (December 31, 2022: 14 days).

b) Trade payables due to third parties

	December 31, 2023	December 31, 2022
Trade payables	**43.365.416**	37.589.990
Rediscount expense (-)	**(1.166.202)**	(909.044)
	42.199.214	36.680.946

As of December 31, 2023 the average term of trade payables is 57 days (December 31, 2022: 57 days). As of December 31, 2023 letters of guarantee, cheques and notes are amounting to TRY 2.891.474 and mortgages are amounting to TRY 51.517 (December 31, 2022: letters of guarantee, cheques and notes amounting to TRY 1.710.379 and mortgages amounting to TRY 53.917).

8. Other receivables

a) Other receivables from related parties

	December 31, 2023	December 31, 2022
Receivables from related parties	**1.023**	1.628
	1.023	1.628

b) Other receivables from third parties

	December 31, 2023	December 31, 2022
Other receivables	**196.935**	179.439
Doubtful receivables	**11.704**	18.761
Less: Allowance for doubtful receivables	**(11.704)**	(18.761)
	196.935	179.439

Current period movement of allowance for doubtful receivables is as follows:

	December 31, 2023	December 31, 2022
Balance at the beginning of the period – January 1	**18.761**	31.149
Allowance for doubtful receivables	**671**	2.277
Collection in current year	**(249)**	(2.480)
Monetary gain /loss	**(7.479)**	(12.185)
Balance at the end of the period – December 31	**11.704**	18.761

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

9. Inventories

	December 31, 2023	December 31, 2022
Trade goods, net	**27.159.089**	24.260.599
Other	**208.680**	179.332
Allowance for impairment on inventory (-)	**(40.053)**	(39.354)
	27.327.716	24.400.577

Cost of inventories amounting to TRY 276.759.269 (December 31, 2022: TRY 237.182.345) was recognized under cost of sales.

As of December 31, 2023 an allowance for impairment amounting to TRY 40.053 (December 31, 2022: TRY 39.354) has been made for trade goods.

The movement of impairment for inventories in 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Balance at the beginning of the period - January 1	**39.354**	37.829
Allowance cancellations	**(39.354)**	(37.829)
Allowance for impairment	**40.053**	39.354
Balance at the end of the period – December 31	**40.053**	39.354

10. Property, plant and equipment

The movements of property,plant and equipment and the related accumulated depreciation for the periods ended December 31, 2023 and 2022 are as follows:

	January 1, 2023	**Additions**	**Disposals**	**Transfers**	**Allowance for impairment**	**Currency exchange differences**	**December 31, 2023**
Cost or revalued amount							
Land	**9.897.446**	**547.141**	**-**	**-**	**-**	**(10.063)**	**10.434.524**
Land improvements	**222.394**	**20.426**	**(2.853)**	**355**	**-**	**-**	**240.322**
Buildings	**15.136.427**	**838.312**	**(61.506)**	**31.426**	**(99.460)**	**(36.043)**	**15.809.156**
Machinery and equipment	**16.216.086**	**3.073.950**	**(502.555)**	**128.866**	**-**	**(926)**	**18.915.421**
Vehicles	**3.145.555**	**828.893**	**(88.018)**	**12.825**	**-**	**9.425**	**3.908.680**
Furniture and fixtures	**6.503.398**	**1.494.641**	**(225.565)**	**586**	**-**	**(427)**	**7.772.633**
Leasehold improvements	**13.820.832**	**2.519.309**	**(352.967)**	**135.983**	**-**	**(175.285)**	**15.947.872**
Construction in progress	**596.760**	**1.131.058**	**(10.316)**	**(310.041)**	**-**	**(31.678)**	**1.375.783**
	65.538.898	**10.453.730**	**(1.243.780)**	**-**	**(99.460)**	**(244.997)**	**74.404.391**
Less : Accumulated depreciation							
Land improvements	**(161.916)**	**(27.496)**	**2.254**	**-**	**-**	**(9)**	**(187.167)**
Buildings	**-**	**(1.057.305)**	**935**	**-**	**1.458**	**(903)**	**(1.055.815)**
Machinery and equipment	**(7.829.556)**	**(1.472.317)**	**349.068**	**-**	**-**	**22.751**	**(8.930.054)**
Vehicles	**(1.829.935)**	**(479.022)**	**67.876**	**-**	**-**	**(3.657)**	**(2.244.738)**
Furniture and fixtures	**(3.887.820)**	**(931.688)**	**194.925**	**-**	**-**	**7.503**	**(4.617.080)**
Leasehold improvements	**(6.770.827)**	**(1.144.952)**	**192.767**	**-**	**-**	**(7.084)**	**(7.730.096)**
	(20.480.054)	**(5.112.780)**	**807.825**	**-**	**1.458**	**18.601**	**(24.764.950)**
Net book value	**45.058.844**						**49.639.441**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

10. Property, plant and equipment (Cont'd)

	January 1, 2022	Additions	Additions Due to Company Acquisition	Disposals	Transfers	Offsetting	Re-valuation	Currency exchange differences	December 31, 2022
Cost or revalued amount									
Land	5.299.475	27.347	-	-	-	-	4.593.782	(23.158)	9.897.446
Land improvements	196.079	21.370	-	-	4.945	-	-	-	222.394
Buildings	8.603.881	227.246	-	(147)	862.764	(943.890)	6.418.870	(32.297)	15.136.427
Machinery and equipment	13.971.236	2.259.926	197.660	(36)	172.132	-	-	(384.832)	16.216.086
Vehicles	2.389.494	803.902	-	(45.811)	40.114	-	-	(42.144)	3.145.555
Furniture and fixtures	5.326.954	1.409.103	5.576	(165.872)	18.639	-	-	(91.002)	6.503.398
Leasehold improvements	11.964.243	2.143.447	4.546	(136.225)	148.347	-	-	(303.526)	13.820.832
Construction in progress	768.329	1.215.852	-	(140.472)	(1.246.941)	-	-	(8)	596.760
	48.519.691	8.108.193	207.782	(488.563)	-	(943.890)	11.012.652	(876.967)	65.538.898
Less : Accumulated depreciation									
Land improvements	(145.061)	(16.855)	-	-	-	-	-	-	(161.916)
Buildings	(477.223)	(456.524)	-	13	-	943.890	-	(10.156)	-
Machinery and equipment	(7.097.451)	(1.013.889)	(91.996)	-	-	-	-	373.780	(7.829.556)
Vehicles	(1.524.508)	(368.580)	-	36.987	-	-	-	26.166	(1.829.935)
Furniture and fixtures	(3.382.578)	(731.144)	(3.289)	165.872	-	-	-	63.319	(3.887.820)
Leasehold improvements	(6.138.577)	(944.733)	(4.192)	96.357	-	-	-	220.318	(6.770.827)
	(18.765.398)	(3.531.725)	(99.477)	299.229	-	943.890	-	673.427	(20.480.054)
Net book value	29.754.293								45.058.844

As of January 1 - December 31, 2023, depreciation expense amounting to TRY 4.586.013 (January 1- December 31, 2022: TRY 3.316.586) were recognized in marketing expenses and TRY 454.853 (January 1- December 31, 2022: TRY 181.229) in general and administrative expenses and TRY 71.914 (January 1 – December 31, 2022: TRY 33.910) were recognized in cost of goods sold for the period January 1- December 31, 2023. The land and buildings were revalued and reflected to consolidated financial statements with their fair value. The book values of such assets were adjusted to the revalued amounts and the resulting surplus net of deferred income tax was credited to revaluation surplus in the equity. The revaluation surplus is not available for distribution to shareholders.

Fair values of land and buildings

As of December 31 ,2023, the Group carries its land and buildings over the revalued amounts in the consolidated financial statements. The revaluation surplus, as of December 31, 2022 net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'property and equipment revaluation reserve' in shareholders equity. The fair value of non-financial assets by valuation method is calculated by inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

10. Property, plant and equipment (Cont'd)

Valuation techniques used to derive level 2 fair values

Sale or purchase costs or tax deductions are not taken into account in assumption of Level 2 fair value of land and buildings. The most common valuation techniques used is market comparable method, and for some land and buildings cost and income approach including discounted cash flow analysis are also used. Comparable value per square meter is determined based on assumptions such as bargaining share and adjustment for location in market comparable method.

Market comparable method

A property's fair value is estimated based on comparison of sales and market data of similar or comparable properties. The revaluated property is compared with the sales of similar properties in the market or asked price and bid price.

Discounted cash flow method

Value assumption is conducted through the discount method by takinginto account the data of expenditure and revenue belonging to the revaluated property. Discounting is related to revenue and value, which convertes the revenue amount into an estimate of value. Either the ratio of proceeds or/and discount should be taken into consideration. Within this approach, Direct Capitalization of Income and Cash Flow Analysis are applied predominantly. During the application of Direct Capitalization of Income, rental data belong to the similar real estate in the same region where the property based in has been used. Unless enough data for probable ratio of capitalization is attained, the method aforementioned has not been applied on.

Cost approach

Instead of purchase of property, the probability of construction of the same property or another property that provides the same benefit is taken into account. In practice the estimated value includes the amortization of old and less functional properties in case new one's cost exceeds the potential price to be paid for revaluation of the property.

It determines how transaction will be traded in the market and the approach and methods will be used in estimation of fair value of land and building. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into the valuation approach is price per square meter.

In the market comparable method, one of the methods applied during the valuation, room for negotiation has been considered and reconciliation has been done for the positive and negative features of property with respect to the precedents.

Valuation processes of the group

The Group's finance department reviews the fair value of land and buildings for reporting purposes. On an annual basis, the Group engages external, independent and CMB licensed valuation firms.

Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount as of balance sheet date. Group revaluates the amount of their lands and buildings every 3 years unless there is a change in the circumstances. The valuation of land and buildings was performed as of December 31, 2022.

The fair values of the land and buildings (administrative building, warehouses and stores) of the Group have been determined by a real estate appraisal company who has CMB license, holds a recognized and relevant professional qualification and has recent experience in the location and category of the land and buildings.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

10. Property, plant and equipment (Cont'd)

Pledges and mortgages on assets

As of December 31, 2023 and 2022, there is no pledge or mortgage on property and equipment of the Group.

11. Intangible assets

The movements of intangible assets and related accumulated amortization for the periods ended December 31, 2023 and 2022 are as follows:

	January 1, 2023	**Additions**	**Disposal**	**Currency exchange differences**	**December 31, 2023**
Cost					
Right	**605.479**	**60.987**	**(12.797)**	**52.281**	**705.950**
	605.479	**60.987**	**(12.797)**	**52.281**	**705.950**
Accumulated amortization					
Right	**(431.268)**	**(113.414)**	**10.800**	**(12.025)**	**(545.907)**
	(431.268)	**(113.414)**	**10.800**	**(12.025)**	**(545.907)**
Net book value	**174.211**				**160.043**

	January 1, 2022	Additions	Additions Due to Company Acquisition	Disposals	Currency exchange differences	December 31, 2022
Cost						
Right	568.313	26.025	307	(4.097)	8.939	599.487
Other intangible assets	6.335	-	-	(89)	(254)	5.992
	574.648	26.025	307	(4.186)	8.685	605.479
Accumulated amortization						
Right	(359.682)	(58.694)	(225)	2.139	(8.969)	(425.431)
Other intangible assets	(5.905)	(21)	-	89	-	(5.837)
	(365.587)	(58.715)	(225)	2.228	(8.969)	(431.268)
Net book value	209.061					174.211

As of December 31,2023 amortization expense amounting to TRY 100.480 (January 1- December 31, 2022: TRY 55.634) has been charged in marketing expenses and TRY 9.966 (January 1- December 31, 2022: TRY 3.040) in general and administrative expenses and TRY 2.968 (January 1- December 31, 2022: 41.) is included in the cost of sales.

The intangible assets are amortized over estimated useful life which is 5 years. The rights mainly consist of software licenses.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

12. Right of Use Assets

The movements of right use of assets and the related accumulated depreciation for the period ended December 31, 2023 and 2022 as follows:

	January 1, 2023	Additions	Disposals	Currency exchange differences	December 31, 2023
Building	**43.099.338**	**19.193.564**	**(6.786.007)**	**(97.203)**	**55.409.692**
Vehicles	**1.003.013**	**330.182**	**(290.969)**	**(7.987)**	**1.034.239**
	44.102.351	**19.523.746**	**(7.076.976)**	**(105.190)**	**56.443.931**
Less: Accumulated amortization					
Building	**(13.673.350)**	**(4.968.580)**	**739.985**	**(28.075)**	**(17.930.020)**
Vehicles	**(685.792)**	**(197.565)**	**121.579**	**1.606**	**(760.172)**
	(14.359.142)	**(5.166.145)**	**861.564**	**(26.469)**	**(18.690.192)**
Net book value	**29.743.209**				**37.753.739**

	January 1, 2022	Additions	Disposals	Currency exchange differences	December 31, 2022
Building	34.796.417	9.089.831	(668.763)	(118.147)	43.099.338
Vehicles	922.003	151.315	(48.290)	(22.015)	1.003.013
	35.718.420	9.241.146	(717.053)	(140.162)	44.102.351
Less: Accumulated amortization					
Building	(9.571.417)	(4.286.980)	183.702	1.345	(13.673.350)
Vehicles	(489.966)	(244.409)	33.426	15.157	(685.792)
	(10.061.383)	(4.531.389)	217.128	16.502	(14.359.142)
Net book value	25.657.037				29.743.209

For the period ended December 31, 2023, TRY 4.699.988 (December 31, 2022, TRY 4.296.608) of amortization expenses is recognized under selling and marketing expenses and TRY 466.157 (December 31,2022: TRY 234.781) is recognized under general administrative expenses.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

13. Provisions, contingent assets and liabilities

a) Short term provisions for employee benefits

Unused vacation amounting to TRY 347.837 is shown on the current provisions for employee benefits amounting in the Group account of short-term provisions for the period ended December 31, 2023 (December 31, 2022: TRY 237.988).

Current period movement of short-term unused vacation provision is as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period – January 1	**184.292**	130.650
Used in the period	**(184.292)**	(130.650)
Provision of unused vacation	**347.837**	237.988
Monetary Gain / Loss	**(104.532)**	(53.696)
Balance at the end of the period - December 31	**243.305**	184.292

b) Other short-term provisions

	December 31, 2023	December 31, 2022
Legal provisions (*)	**268.129**	143.415
Other	**79.880**	63.410
Total	**348.009**	206.825

(*) As of December 31, 2023 and December 31, 2022, the total amount of outstanding lawsuits filed against the Group, TRY 531.910 and TRY 324.807 (in historical terms), respectively. The Group recognized provisions amounting to TRY 268.129 and TRY 143.415 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period - January 1	**143.415**	87.544
Provisions required	**214.011**	64.929
Monetary gain / loss	**(89.297)**	(9.058)
Balance at the end of the period - December 31	**268.129**	143.415

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

13. Provisions, contingent assets and liabilities (Cont'd)

Letter of guarantees, mortgages and pledges given by the Group

As of December 31, 2023 and December 31, 2022, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	December 31, 2023				
	Total TRY equivalent	**TRY**	**US Dollars**	**EUR**	**Moroccan Dirham**
A. Total amount of guarantees, pledges and mortgages given in the name of	**192.252**	**184.867**	**250.870**	**-**	**-**
Guarantee	*192.252*	*184.867*	*250.870*	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
B. Total amount of guarantees, pledges and mortgages provided on behalf of the parties which are included in the scope of full consolidation	-	-	-	-	-
Guarantee	-	-	-	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
C. Total amount of guarantees, pledges and mortgages provided on behalf of third parties to conduct business activities	-	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-	-
i. On behalf of majority Shareholder	-	-	-	-	-
ii. On behalf of other group companies which are not covered in B and C above	-	-	-	-	-
iii. On behalf of third parties which are not covered by item C	-	-	-	-	-
Total	**192.252**	**184.867**	**250.870**	**-**	**-**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

13. Provisions, contingent assets and liabilities (Cont'd)

	December 31, 2022				
	Total TRY equivalent	TRY	US Dollars	EUR	Moroccan Dirham
A. Total amount of guarantees, pledges and mortgages given in the name of	125.394	117.745	250.870	-	-
Guarantee	*125.394*	*117.745*	*250.870*	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
B. Total amount of guarantees, pledges and mortgages provided on behalf of the parties which are included in the scope of full consolidation	-	-	-	-	-
Guarantee	-	-	-	-	-
Pledge	-	-	-	-	-
Mortgage	-	-	-	-	-
C. Total amount of guarantees, pledges and mortgages provided on behalf of third parties to conduct business activities	-	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-	-
i. On behalf of majority Shareholder	-	-	-	-	-
ii. On behalf of other group companies which are not covered in B and C above	-	-	-	-	-
iii. On behalf of third parties which are not covered by item C	-	-	-	-	-
Total	125.394	117.745	250.870	-	-

Insurance coverage on assets

As of December 31, 2023, and December 31, 2022, insurance coverage on assets of the Group is TRY 27.809.173 and TRY 45.654.689 respectively.

14. Prepaid Expenses and Deferred Income

a) Short term prepaid expenses

	December 31, 2023	December 31, 2022
Order advances given to third parties for inventories	**1.702.571**	1.465.418
Order advances given to related parties (Note 28)	**-**	25.034
Prepaid service expenses	**374.127**	222.995
Other	**20.300**	29.577
	2.096.998	1.743.024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

14. Prepaid Expenses and Deferred Income (Cont'd)

b) Long term prepaid expenses

	December 31, 2023	December 31, 2022
Advances given for property, plant and equipment	**1.450.355**	730.417
Other	**27.584**	20.857
	1.477.939	751.274

c) Deferred Income

	December 31, 2023	December 31, 2022
Gift cards income	**346.639**	235.344
Other	**752**	26
	347.391	235.370

15. Employee termination benefits

	December 31, 2023	December 31, 2022
Provision for employee termination benefits	**1.199.093**	1.640.059
	1.199.093	1.640.059

The amount payable consists of one month's salary limited to a maximum of full TRY 23.489,83 for each period of service as of December 31, 2023 (December 31, 2022: full TRY 15.371,40). The retirement pay provision ceiling is revised semiannually, and full TRY 23.489,83 which is effective from December 31, 2023, is taken into consideration in the calculation of provision for employment termination benefits (effective from December 31, 2022: full TRY 15.371,40). Liability of employment termination benefits is not subject to any funding as there is not any obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial loss/ (gain) is accounted in the statement of comprehensive income under "Defined benefits plans revaluations fund loss".

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. Consequently, in the accompanying consolidated financial statements as of December 31, 2023, and December 31, 2022, the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by using real discount rate of 4,05% by assuming an annual inflation rate of 21% (December 31, 2022: 17%) and a discount rate of 25,05 % (December 31, 2022: 21,5 %). The anticipated rate of termination benefits not paid as a result of voluntary leaves is also taken into consideration.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

15. Employee termination benefits (Cont'd)

The following tables summarize the components of employee termination benefits recognized in the comprehensive statement of income and amounts recognized in the balance sheet:

	January 1- December 31, 2023	January 1- December 31, 2022
Current service cost (Note 20)	**430.934**	178.400
Interest cost of employee termination benefit (Note 23)	**165.659**	151.425
Total	**596.593**	329.825

Changes in the carrying value of defined benefit obligation are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period -January 1	**1.640.059**	1.052.705
Current service cost	**430.934**	178.400
Interest cost of employee termination benefit	**165.659**	151.425
Payments made in the current period	**(1.054.477)**	(244.895)
Current Actuarial loss/ (gain)	**762.643**	945.436
Monetary Gain / Loss	**(745.725)**	(443.012)
Balance at the end of the period - December 31	**1.199.093**	1.640.059

16. Other assets and liabilities

a) Other current assets

	December 31, 2023	December 31, 2022
VAT receivable	**1.697.541**	1.823.611
Other	**25.388**	2.264
	1.722.929	1.825.875

b) Other current liabilities

	December 31, 2023	December 31, 2022
Taxes and funds payables	**861.327**	724.009
Other	**857**	6.467
	862.184	730.476

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

17. Equity

a) Share capital and capital reserves

As of December 31, 2023, and December 31,2022, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows.

	December 31, 2023		December 31, 2022	
	Historical cost	**(%)**	Historical cost	(%)
Merkez Bereket Gıda Sanayi ve Ticaret A.Ş.	**92.000**	**15,15**	92.000	15,15
Naspak Gıda Sanayi ve Ticaret A.Ş.	**70.000**	**11,53**	68.600	11,30
Other	**15.012**	**2,47**	15.012	2,47
Publicly traded	**430.188**	**70,85**	431.588	71,08
	607.200	**100,00**	607.200	100,00
Capital Adjustment Differences	**3.823.414**		3.823.414	

The Company's share capital is fully paid and consists of 607.200.000 (December 31, 2022: 607.200.000) shares of full TRY 1 nominal value each.

Property, plant and equipment revaluation fund

As of December 31, 2023 the Group has revaluation fund amounting TRY 11.356.219 (December 31, 2022: TRY 11.580.522) related to revaluation of land and buildings. The revaluation fund is not available for distribution to shareholders.

b) Restricted reserves and retained earnings

The legal reserves consist of first and second legal reserves, per the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of net statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above and Turkish Capital Market Board (CMB) requirements related to profit distribution. Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

17. Equity (cont'd)

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees, and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash. Dividend distribution policy of the Company is in line with the CMB Law numbered 6362 dated December 31, 2012.

Inflation adjustment to shareholders' equity and book value of extraordinary reserves can be used as an internal source in capital, dividend distribution in cash or net-off against prior years' loss. In case the inflation adjustment to shareholders' equity is used for dividend distribution in cash, the distribution is subject to corporate tax.

According to the financial statements prepared in accordance with the Tax Procedure Law as of December 31, 2023 and 2022, the legal reserves, retained earnings, and net profits for the period are as follows:

	December 31, 2023	December 31, 2022
Legal reserves	**10.695.671**	1.698.046
Extraordinary reserves	**11.357.365**	857.514
Net profit for the period	**11.111.273**	5.100.486
	33.164.309	7.656.046

As of December 31, 2023, net profit for the Company's statutory books is TRY 11.111.273 (December 31, 2022: TRY 5.100.486) and net profit per consolidated financial statements in accordance with CMB accounting standards is TRY 15.445.289 (December 31, 2022: TRY 16.599.432). Equity holders of the parent company of profit is TRY 15.440.733 (December 31, 2022: TRY 16.596.239)

c) Treasury Shares

As part of the resolution of the Board of Directors on 2 February 2023, buy-back operations have been started. As part of such buy-back operation shares of the Company which are equivalent to 842.008 units of BİM shares corresponding to TRY 164.047.000 have been repurchased. As of December 31, 2023, 10.200.000 shares repurchased for a total of TRY 2.319.695.000 (full TRY) together with the purchases made in the previous periods, in the Company's capital is 1. 6798%.

The financing of share repurchases is provided by the Company's internal resources. As of the report date, there has been no sale of the repurchased shares.

d) Dividend payment

At the Ordinary General Assembly meeting dated May 16, 2023, it was decided to distribute 3.492.248.000 (full TRY) cash dividends from the profit of 2022 to the shareholders and to make the payment on June 14, 2023 and December 20, 2023. The gross dividend paid per share is total 5,0 full TRY. The total amount of dividends corresponding to the distribution of dividends decided upon is 58,660,000 (in full TL), which constitutes the dividend payment attributable to the Group's own shares. Additionally, Bim Stores S.A., a subsidiary of the Group, distributed dividends to its non-group shareholders from the profit of the year 2022, totaling 57,189,757 full TL on June 13, 2023.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

17. Equity (cont'd)

Non – controlling interest

Equity in a subsidiary that is not directly or indirectly associated with the parent is classified under "Non-controlling interests" in the consolidated financial statements.

As of December 31, 2023, the relevant amount in the "Non-controlling interests" account in the consolidated statement of financial position is TRY 629.752. In addition, net profit or loss in a subsidiary that is not directly or indirectly attributed to a parent is classified under "Non-controlling interests" in the consolidated statement of profit or loss. As of December 31, 2023, the amount of profit attributable to minority interests in the consolidated statement of comprehensive loss is TRY 4.556.

18. Sales and cost of sales

a) Net Sales

The Group's net sales for the periods ended December 31, 2023, and 2022 are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Sales	**330.136.014**	280.600.901
Sales returns (-)	**(1.694.090)**	(1.347.991)
	328.441.924	279.252.910

b) Cost of sales

	January 1- December 31, 2023	January 1- December 31, 2022
Beginning inventory	**24.260.600**	19.258.596
Purchases	**279.582.876**	242.132.176
Depreciation and amortization expenses	**74.882**	33.951
Ending inventory (-)	**(27.159.089)**	(24.260.599)
Additional stock from the merger	**-**	18.221
	276.759.269	237.182.345

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

19. Operational expenses

a) Marketing expenses

	January 1- December 31, 2023	January 1- December 31,2022
Personnel expenses	**23.874.912**	16.619.011
Depreciation and amortization expense	**9.386.481**	7.668.828
Electricity, water and communication expenses	**3.060.482**	3.504.303
Maintenance and repair expenses	**934.149**	710.961
Advertising expense	**857.129**	551.220
Truck fuel expense	**795.290**	903.270
Freight expenses	**384.389**	233.388
Provision for employee termination benefits	**379.468**	160.812
Packaging expenses	**357.620**	416.482
Stationary expenses	**303.176**	292.137
Rent benefits	**243.196**	148.640
Taxes and duty expenses	**223.501**	144.242
Information technology expenses	**206.529**	166.994
Directly expensed fixed asset	**143.612**	125.086
Insurance expenses	**140.531**	75.245
Cleaning expenses	**96.429**	104.814
Other	**827.253**	847.364
	42.214.147	32.672.797

b) General and administrative expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Personnel expenses	**3.543.115**	2.259.121
Depreciation and amortization	**930.976**	419.050
Tax and duty expenses	**602.034**	592.634
Legal and consultancy expenses	**198.492**	113.136
Motor vehicle expenses	**163.475**	104.265
Money collection expenses	**129.999**	101.423
Provision for employee termination	**51.466**	19.503
Electricity, water, gas and communication expenses	**43.719**	44.131
Office supplies	**18.799**	21.740
Other	**427.637**	212.271
	6.109.712	3.887.274

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

20. Expenses by nature

a) Depreciation and amortization expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Marketing and selling expenses	**9.386.481**	7.668.828
General and administrative expenses	**930.976**	419.050
Cost of sales	**74.882**	33.951
	10.392.339	8.121.829

b) Personnel expenses

	January 1- December 31, 2023	January 1- December 31, 2022
Wages and salaries	**24.245.134**	16.937.770
Social security premiums employer contribution	**3.172.893**	1.940.362
Provision for employee termination (Note 15)	**430.934**	178.400
	27.848.961	19.056.532

21. Other operating income and expense

a) Other operating income

	January 1- December 31, 2023	January 1- December 31, 2022
Personnel incentive income	**462.801**	-
Income from fines and compensation (*)	**375.602**	43.754
Gain on sale of scraps	**168.389**	273.497
Contract termination income (IFRS-16)(Note 6)	**13.840**	5.627
Commission and promotion income	**-**	67.270
Other income from operations	**486.431**	262.068
	1.507.063	652.216

(*) Most of the balance is due to the refund amount of the Competition Board Penalty in 2023 within the scope of tax peace (TL 370.354) and the related amount is exempt from corporate tax.

b) Other operating expense

	January 1- December 31, 2023	January 1- December 31, 2022
Contract termination expense (Note 6)	**364.569**	133.184
Other provision expenses	**239.209**	82.701
Donation and aid expenses	**208.705**	102.388
Other operating expenses	**93.297**	42.899
	905.780	361.172

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

22. Financial income

	January 1-December 31, 2023	January 1-December 31, 2022
Foreign exchange gains	**247.833**	222.391
Participation account income	**147.134**	211.651
	394.967	434.042

23. Financial expenses

	January 1-December 31, 2023	January 1-December 31, 2022
Financial expenses arises from lease liabilities	**2.381.851**	2.084.282
Interest cost related to provision for employee termination (Note 15)	**165.659**	151.425
Foreign exchange losses	**159.027**	237.626
Other financial expenses	**70.642**	51.742
	2.777.179	2.525.075

24. Income and expense from investing activities

a) Income from investing activities

	January 1-December 31, 2023	January 1-December 31, 2022
Incomes from financial investments (*)	**1.155.689**	319.368
Gain on sale of property,plant and equipment	**2.132**	23.932
Currency protected deposit income	**-**	384.982
Other	**-**	2.033
	1.157.821	730.315

(*) The balance consists of income from investment funds of the Group.

b) Expenses from investment activities

As of December 31, 2023, the loss on fixed asset sales is 309,458 TL. (December 31, 2022: None.)

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

25. Tax assets and liabilities

As of December 31, 2023, and December 31, 2022, provision for taxes of the Group is as follows:

	December 31, 2023	December 31, 2022
Current income tax liabilities	**4.186.492**	2.949.772
Current tax assets (Prepaid taxes)	**(2.786.345)**	(2.407.453)
Tax expense related to revaluation value expenditure fund recognized in the statutory financial statements (*)	**-**	42.976
Corporate tax payable	**1.400.147**	585.295

Current period corporate and income tax provision	**4.186.492**	2.949.772
Adjustments to prior period tax expense (-)	**(64.720)**	(119.547)
Current income tax liabilities	**4.121.772**	2.830.225

(*) The tax expense arising from the revaluation surplus applied in the company's statutory financial statements.

The Company and its subsidiaries, affiliates and joint ventures established in Turkey and other countries within the scope of consolidation are subject to the applicable tax legislation and practices of the countries in which they operate.

With the Law published in the Official Gazette dated July 15, 2023, amendments have been made to the Corporate Tax Law numbered 5520. Accordingly; as of October 1, 2023, the corporate tax rate has been increased from 20% to 25% for declarations to be submitted. Additionally, with the amendment made, as of July 15, 2023; the tax exemption at the rate of 50% foreseen for real estate capital gains in Law No. 5520 has been abolished. However, this exemption will be applied at a rate of 25% in the sales of real estate assets included in the assets of businesses before July 15, 2023. (However, according to the additional articles added to the Corporate Tax Law, the 20% corporate tax rate is applied as 23% for corporate profits for the 2022 tax period.) (December 31, 2022: 23%).

Companies calculate and pay temporary tax at a rate of 25% based on their quarterly financial profits and declare and pay it by the 17th day of the second month following the end of that period. Temporary tax paid during the year is credited against the corporate tax calculated for that year's corporate tax return to be submitted the following year. If there is any remaining amount of temporary tax paid after crediting, this amount can be refunded in cash or offset against any other financial debt owed to the state.

In Morocco, as of December 31, 2023 the corporate tax rate is 31% (December 31, 2022: 31%) where the consolidated subsidiary of the Company, BIM Maroc S.A. operates. Although retained earnings of BIM Maroc S.A. are the subject of a deduction that they are not carried forward for more than 5 years, a tax of %0,5 is paid on sales. In Egypt, as of December 31, 2023 the corporate tax rate is 22.5% (December 31, 2022: 22.5%) where the consolidated subsidiary of the Company, BIM Stores LLC operates.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years

10% withholding tax rate applies to dividends distributed by resident corporations and resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

25. Tax assets and liabilities (Cont'd)

As of December 31, 2023, and December 31, 2022, temporary differences based for deferred tax and deferred tax asset and liability calculated by using applicable tax rates are as follows:

	Balance sheet		**Comprehensive income**	
	December 31, 2023	December 31, 2022	**January 1- December 31, 2023**	January 1- December 31, 2022
Deferred tax liability				
Right-of-use asset	**11.807.713**	6.973.378	**4.834.335**	3.356.051
The effect of the revaluation of land and buildings	**3.336.375**	5.483.092	**(2.146.717)**	3.593.170
The effect of the revaluation of financial asset	**213.434**	160.459	**52.975**	92.897
Other adjustments	**63.670**	284.345	**(220.675)**	44.516
Deferred tax asset				
Lease liabilities	**(4.989.978)**	(3.467.267)	**(1.522.711)**	(1.144.796)
Tangible and intangible assets	**(4.119.799)**	(5.733.300)	**1.613.501**	(6.105.688)
Provision for employee termination benefit	**(331.796)**	(328.012)	**(3.784)**	(199.861)
Other adjustments	**(610.486)**	(373.095)	**(237.391)**	(223.208)
Currency exchange difference	**-**	-	**(4.630)**	1.825
Deferred tax	**5.369.133**	2.999.600	**2.364.903**	(585.094)

Deferred tax is presented in financial statements as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets	**69.652**	94.590
Deferred tax liabilities	**(5.438.785)**	(3.094.190)
Net deferred tax asset	**(5.369.133)**	(2.999.600)

Movement of net deferred tax liability for the periods ended December 31, 2023, and 2022 are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Balance at the beginning of the period - January 1	**(2.999.600)**	(3.537.602)
Deferred tax expense recognized in statement of profit or loss,	**(2.477.551)**	136.625
Deferred tax expense recognized in other comprehensive income	**112.648**	448.469
- Property, plant and equipment revaluation fund (Note 10)	**-**	245.642
- Fair value increases in available-for-sale financial assets	***(48.283)***	(4.388)
- Defined benefit plans revaluation fund loss	***160.931***	207.215
Foreign currency exchange differences	**(4.630)**	(47.092)
Balance at the end of the period – December 31	**(5.369.133)**	(2.999.600)

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

25. Tax assets and liabilities (Cont'd)

Tax reconciliation

	January 1- December 31, 2023	January 1- December 31, 2022
Profit before tax	**22.044.612**	19.293.032
Corporate tax provision calculated at effective tax rate of 25% (December 31, 2022: 23%)	**(5.511.153)**	(4.437.397)
Deductions and exemptions	**192.902**	58.707
Fiscal year losses which is no deferred tax not created (*)	**(34.789)**	(73.777)
Effect of tax rate differences of the consolidated subsidiary	**(28.563)**	(28.153)
Effect of tax rate changes	**801.452**	75.293
Adjustments to prior period tax expense (-)	**(64.720)**	163.720
Revaluation recognized in statutory financial statements tax expense on fund	**-**	(44.171)
Effect of Revaluation of Financial Assets for Sale	**116.052**	-
Tangible and Intangible Assets Revaluation and Land - Building rate difference	**143.151**	-
Other	**(8.880)**	(11.744)
Monetary Gain / Loss	**(2.204.775)**	1.603.922
	(6.599.323)	(2.693.600)

(*) Dost Global Danışmanlık A. Ş. fiscal year loss to BIM Stores LLC (BIM Egypt), a subsidiary.

Tax expense	**January 1 December 31, 2023**	January 1 December 31, 2022
Current period tax expense	**(4.121.772)**	(2.830.225)
Deferred tax income	**(2.477.551)**	136.625
Total tax expense	**(6.599.323)**	(2.693.600)

26. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. Earnings per share for the period ended as of December 31, 2023 and 2022 is as follows. All shares of the Company are in same status.

Earnings per share	**January 1- December 31, 2023**	January 1- December 31, 2022
Average number of shares at the beginning of the period (Thousand) (*)	**597.107**	597.961
Net profit of the year	**15.440.733**	16.596.239
	25,86	27,75

(*) When calculating earnings per share, bonus shares are counted as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share has been obtained by retrospectively considering the bonus shares issued.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

27. Non – controlling interests

Details of non-controlling interests as of December 31 2023 are as follows:

	December 31, 2023	December 31, 2022
Share of non – controlling interests	**%35**	58%
Total assets	**6.998.906**	5.811.860
Total liabilities	**(6.200.940)**	(4.830.624)
Net assets	**797.966**	981.236
Foreign currency conversion difference	**350.464**	(6.992)
Non – controlling interests	**629.752**	558.892

As of December 31, 2023 and 2022, the breakdown of total comprehensive income/expense for non-controlling interests is as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Revenue	**11.541.887**	11.224.404
Gross profit	**1.949.185**	2.007.006
Operating profit	**171.860**	177.972
Net income for the period	**13.016**	9.123
Net profit for the period of non-controlling interests	**4.556**	3.193
Other comprehensive income from non-controlling interests	**123.494**	69.053
Total comprehensive income of non-controlling interests	**128.050**	72.246

28. Related party disclosures

a) Prepaid expenses to related parties

As of December 31, 2023 and 2022, the balances of expenses paid in advance to related parties are as follows:

	December 31, 2023	December 31, 2022
Apak Pazarlama ve Gıda Sanayi Tic. Ltd. Şti. (Apak)[1]	-	(25.034)
	-	**(25.034)**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

28. Related party disclosures (Cont'd)

b) Payables related to goods and services received

Due to related parties balances as of December 31, 2023 and December 31, 2022 are as follows:

Payables related to goods and services received:

Related parties

	December 31, 2023	December 31, 2022
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1) (*)	**1.100.206**	924.554
Aktül Kağıt Üretim Pazarlama Anonim Şirketi (1) (*)	**458.572**	776.273
Sena Muhtelif Ürün Paketleme Gıda San. ve Tic.Ltd. Şti. (Sena) (2) (*)	**368.155**	409.439
Hedef Tüketim Ürünleri San. ve Dış Tic. A.Ş. (Hedef) (1) (*)	**314.905**	735.873
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş. (Turkuvaz) (1) (*)	**289.524**	696.905
Apak Pazarlama ve Gıda Sanayi Tic. Ltd. Şti. (Apak)(1)	**149.010**	-
Reka Bitkisel Yağlar Sanayi ve Ticaret A.Ş. (Reka)(1)	**124.059**	448.092
Ahenk Helva Şekerleme İm. İth. İhr. San. ve Tic. A.Ş. (Ahenk) (1)	**120.088**	58.794
MTB Kağıt ve Temizlik Ürünleri San. Ve Tic. A.Ş. (MTB) (1)	**16.042**	24.380
Avansas Ofis Malzemeleri Ticaret A.Ş. (Avansas) (1)	**4.746**	9.596
Bahariye Tekstil San. ve Tic. A.Ş. (Bahariye)(1)	**-**	8.615
	2.945.307	4.092.521

(*) Trade payables to Başak Gıda are mainly from purchases of bread and other bakery products, trade payables to Aktül Kağıt are mainly from purchases of paper towels and other paper cleaning materials, trade payables to Sena are mainly from other food materials, trade payables to Hedef Tüketim mainly arise from purchases of non-food products and trade payables to Turkuvaz Plastik mainly arise from purchases of plastic products and plastic cleaning materials.

(1) Companies over which the controlling partners of the company have control.
(2) Other related company

c) Related party transactions

i) Purchases from related parties during the periods ended December 31, 2023 and 2022 are as follows:

Related parties

	January 1- December 31, 2023	January 1- December 31, 2022
Başak (1)	**8.106.048**	7.078.401
Reka (1)	**5.920.948**	8.900.346
Hedef (1)	**3.669.158**	3.591.360
Turkuvaz (1)	**2.952.821**	3.446.367
Aktül(1)	**2.537.566**	3.194.039
Apak(1)	**2.018.048**	1.753.319
Sena(2)	**1.976.666**	1.841.245
Ahenk(1)	**435.097**	193.772
MTB Kağıt(1)	**73.184**	122.963
Avansas(1)	**44.393**	58.076
Bahariye Mensucat(1)	**96**	8.579
	27.734.025	30.188.467

(1) Companies owned by shareholders of the Company.
(2) Other related party.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

28. Related party disclosures (Cont'd)

c) Related party transactions (Cont'd)

ii) For the periods ended December 31, 2023 and 2022 salaries, bonuses and compensations provided to board of directors and key management comprising of 210 and 193 personnel, respectively, are as follows:

	January 1- December 31, 2023	January 1- December 31, 2022
Short-term benefits to employees	**709.827**	503.768
Total benefits	**709.827**	503.768

29. Financial instruments and financial risk management

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and profit share rates. These risks are market risk (including foreign currency risk and profit share rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group's principal financial instruments comprise cash and short-term interest free bank loans. The main purpose of using these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade receivables and payables which arise directly from its operations. The Group manages its capital through cash provided by its operations and review of the maturities of the trade payables.

Price risk

Price risk is a combination of foreign currency, profit share and market risk. The Group naturally manages its price risk by matching the same foreign currency denominated receivable and payables and assets and liabilities bearing profit share. The Group closely monitors its market risk by analyzing the market conditions and using appropriate valuation methods.

Profit share rate risk

The Group does not have any significant assets sensitive to dividend rate. The Group's income and cash flows from operations are independent from profit share rate risk.

The Group's profit share rate risk mainly comprises of outstanding short-term borrowings in the prior period. The Group's forthcoming loans in order to continue its operating activities are effected from forthcoming profit share ratios.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

29. Financial instruments and financial risk management (Cont'd)

Profit share rate position table

According to IFRS 7 "Financial Assets", the profit share rate position of the Group is as follows:

Profit share position table		**December 31, 2023**	December 31, 2022
Financial assets	Fixed profit share bearing financial instruments	**3.381.545**	3.810.138
	Participation account	**-**	494.319
	Lease certificate & Investment fund	**3.381.545**	3.315.819
Financial liabilities		**-**	-
Financial assets	Variable profit share bearing financial instruments	**-**	-
Financial liabilities		**-**	-

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Since the Group is engaged in the retail sector and transactions are mainly on a cash basis or has 1-month maturity credit card collections, the exposure to credit and price risk is minimal.

Credit risk table (Current period – December 31, 2023)

	Credit card receivables		**Other receivables**		**Deposit in bank**		**Financial assets**	
31 December 2023	**Related party**	**Other party**	**Related party**	**Other party**	**Related party**	**Other party**	**Related party**	**Other party**
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	**16.125.030**	**1.023**	**334.195**	-	**1.454.681**	**4.413.585**	**3.381.545**
- Maximum risk secured by guarantees etc.	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	**16.125.030**	**1.023**	**334.195**		**1.454.681**	**4.413.585**	**3.381.545**
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	**11.704**	-	-	-	-
- Impairment	-	-	-	**(11.704)**	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

29. Financial instruments and financial risk management (Cont'd)

Credit risk table (Previous period - December 31, 2022)

	Credit card receivables		Other receivables		Deposit in bank		Financial assets	
	Related party	Other party	Related party	Other party	Related party	Other party	Related party	Other party
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	11.656.606	1.628	270.306	-	1.805.516	3.447.939	3.315.819
- Maximum risk secured by guarantees etc.	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	11.656.606	1.628	270.306	-	1.805.516	3.447.939	3.315.819
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	18.761	-	-	-	-
- Impairment	-	-	-	(18.761)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	-	-	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

29. Financial instruments and financial risk management (Cont'd)

There is an insignificant amount of foreign currency denominated assets and liabilities so the Company does not use derivative financial instruments or future contracts to reduce the risk of foreign currency.

Foreign currency position

As of December 31, 2023 and 2022, the Group's foreign currency position is as follows:

	December 31, 2023				December 31, 2022			
	TRY Equivalent	**Full US Dollars**	**Full EUR**	**Full GBP**	TRY Equivalent	Full US Dollars	Full EUR	Full GBP
1. Trade receivables	**86.890**	**2.317.321**	**573.241**	-	70.720	2.261.535	31.743	-
2a. Monetary financial assets (including cash, banks accounts)	**640.420**	**20.880.529**	**781.465**	**7.466**	52.100	1.121.063	526.145	7.466
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
4. Current assets (1+2+3)	**727.310**	**23.197.850**	**1.354.706**	**7.466**	122.820	3.382.598	557.888	7.466
5. Trade receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	**2**	-	-	-	2
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	280	9.100	-	-
8. Current assets (5+6+7)	-	-	-	**2**	280	9.100	-	2
9. Total assets (4+8)	**727.310**	**23.197.850**	**1.354.706**	**7.468**	123.100	3.391.698	557.888	7.468
10. Trade payables	**16**	-	**497**	-	49	-	1.481	-
11. Financial liabilities	**98.176**	-	**3.013.942**	-	128.677	-	3.917.390	-
12a. Monetary other liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**98.192**	-	**3.014.439**	-	128.726	-	3.918.871	-
14. Trade payables	-	-	-	-	-	-	-	-
15. Financial liabilities	**70.338**	-	**2.159.336**	-	272.755	-	8.303.735	-
16a. Monetary other liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
17. **Non-current liabilities (14+15+16)**	**70.338**	-	**2.159.336**	-	272.755	-	8.303.735	-
18. Total liabilities (13+17)	**168.530**	-	**5.173.775**	-	401.481	-	12.222.606	-
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Hedged total assets amount	-	-	-	-	-	-	-	-
19b. Hedged total liabilities amount	-	-	-	-	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	**558.780**	**23.197.850**	**(3.819.069)**	**7.468**	(278.381)	3.391.698	(11.664.718)	7.468
21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**558.780**	**23.197.850**	**(3.819.069)**	**7.468**	(278.661)	3.382.598	(11.664.718)	7.468
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	-	-	-	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

29. Financial instruments and financial risk management (Cont'd)

Exchange rate risk

The following table demonstrates the sensitivity to a possible change in the US Dollar, Euro and GBP exchange rates, with all other variables held constant, of the Group's profit before tax as of December 31, 2023 and December 31, 2022.

December 31, 2023

		Exchange rate sensitivity analysis table			
		Current Period			
			Profit/(Loss)	Equity	
		Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency Depreciation
	Change of US Dollars against TRY by 10%:				
1-	US Dollars net asset/(liability)	**68.290**	**(68.290)**	-	-
2-	Protected part from US Dollars risk(-)	-	-	-	-
3-	US Dollars net effect (1+2)	**68.290**	**(68.290)**	-	-
	Change of EUR against TRY by 10%:				
4-	EUR net asset/(liability)	**(12.440)**	**12.440**	-	-
5-	Protected part from EUR risk(-)	-	-	-	-
6-	EUR net effect (4+5)	**(12.440)**	**12.440**	-	-
	Change of GBP against TRY by 10%:				
7-	GBP net asset/(liability)	**28**	**(28)**	-	-
8-	Protected part from GBP risk(-)	-	-	-	-
9-	GBP net effect (7+8)	**28**	**(28)**	-	-
	Total (3+6+9)	**55.878**	**(55.878)**	-	-

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

29. Financial instruments and financial risk management (Cont'd)

December 31, 2022

		Exchange rate sensitivity analysis table			
		Prior Period			
		Profit/(Loss)		**Equity**	
		Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency Depreciation**
	Change of US Dollars against TRY by 10%:				
1-	US Dollars net asset/(liability)	10.450	(10.450)	-	-
2-	Protected part from US Dollars risk(-)	-	-	-	-
3-	US Dollars net effect (1+2)	10.450	(10.450)	-	-
	Change of EUR against TRY by 10%:				
4-	EUR net asset/(liability)	(38.344)	38.344	-	-
5-	Protected part from EUR risk(-)	-	-	-	-
6-	EUR net effect (4+5)	(38.344)	38.344	-	-
	Change of GBP against TRY by 10%:				
7-	GBP net asset/(liability)	28	(28)	-	-
8-	Protected part from GBP risk(-)	-	-	-	-
9-	GBP net effect (7+8)	28	(28)	-	-
	Total (3+6+9)	(27.866)	27.866	-	-

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

29. Financial instruments and financial risk management (Cont'd)

As of December 31, 2023 and December 31, 2022, maturities of undiscounted trade payables and financial liabilities of the Group are as follows:

December 31, 2023

Contractual terms	**Carrying value**	**Total cash outflow**	**Less than 3 months**	**3 -12 months**	**More than 1 year**
Non derivative financial liabilities					
Trade payables	**42.199.214**	**43.365.416**	**43.365.416**	**-**	**-**
Due to related parties	**2.945.307**	**3.047.058**	**3.047.058**	**-**	**-**
Contractual lease liabilities	**22.337.958**	**42.049.947**	**3.544.415**	**3.667.521**	**34.838.011**

December 31, 2022

Contractual terms	Carrying value	Total cash outflow	Less than 3 months	3 -12 months	More than 1 year
Non derivative financial liabilities					
Trade payables	36.680.946	37.589.990	37.589.990	-	-
Due to related parties	4.092.521	4.202.827	4.202.827	-	-
Contractual lease liabilities	19.625.852	34.080.730	1.173.233	3.167.969	29.739.528

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total liabilities less cash and cash equivalents.

The gearing ratios at December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Total liabilities	**78.390.996**	67.793.605
Less: Cash and cash equivalents	**(3.606.782)**	(3.594.938)
Net debt	**74.784.214**	64.198.667
Total equity	**69.111.983**	57.748.457
Total equity + net debt	**143.896.197**	121.947.124
Net debt/ (Total equity + net debt) (%)	**52**	53

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

30. Financial instruments (Fair value disclosures and disclosures in the frame of hedge accounting)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels of fair value calculations have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value at December 31, 2023 and December 31, 2022. See Note 10 for disclosures of the land and buildings that are measured at fair value (Note 10).

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through other comprehensive income				
Financial Assets	**-**	**4.413.585**	**-**	**4.413.585**
Financial assets measured at fair value through other comprehensive income				
Lease certificates, investment fund	**-**	**3.381.545**	**-**	**3.381.545**
Total assets	**-**	**7.795.130**	**-**	**7.795.130**

December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Financial Assets	-	3.447.939	-	3.447.939
Financial assets measured at fair value through other comprehensive income				
Lease certificates, investment funds	-	3.315.819	-	3.315.819
Total assets	-	6.763.758	-	6.763.758

There were no transfers between levels during in year.

(a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

30. Financial instruments (Fair value disclosures and disclosures in the frame of hedge accounting) (Cont'd)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments,
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

As of December 31, 2023 and December 31, 2022, except for the available for sale financial assets disclosed in Note 5, the fair values of certain financial assets carried at cost including cash and cash equivalents profit share accruals and other short-term financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

- Financial liabilities

Financial liabilities of which fair values approximate their carrying values:

Fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and borrowings. The fair value of bank borrowings with variable rates are considered to approximate their respective carrying values since the profit share rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

31. Fees for Services Received from Independent Audit Firm

The Company's explanation regarding the fees for the services rendered by the independent audit firms, which was prepared by the POA pursuant to the Board Decision published in the Official Gazette on March 30, 2021, and the preparation principles were based on the letter of the POA dated August 19, 2021, is as follows:

	December 31, 2023	December 31, 2022
Legal and voluntary independent audit services (annual)	**1.703**	847
	1.703	847

32. Subsequent events

There are no subsequent events.