

(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,  
2024 TOGETHER WITH AUDITOR'S REPORT

(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, 2024, 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, 2024, 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Application of TFRS 16, “Leases”, its impacts on the consolidated financial statements and notes to the consolidated financial statements</b></p> <p>The Group has right-of-use assets amounting to TRY 63.998.991 thousand and lease liabilities amounting to TRY 36.975.988 thousand in its consolidated financial statements.</p> <p>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.</p> <p>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.</p> <p>Explanations regarding TFRS 16 are made in Notes 6 and 12.</p> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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 contracts and the assessment of the extension options applied if such options exist with the provision of the contract are tested.</p> <p>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.</p> |

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| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>Revenue recognition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The Group operates in hard discount retail markets on domestic and abroad with 13.583 stores in total as of 31 December 2024.</p> <p>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.</p> <p>Revenue, amounting to TRY 519.566.633 thousand for the year ended 31 December 2024 is material to the financial statements and its audit is a key audit matter since the completeness and accuracy 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.</p> <p>Explanations regarding Revenue are made in Notes 18.</p> | <p>The audit procedures performed include a combination of validation of key controls in revenue recognition process, substantive tests and analytical procedures.</p> <p>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").</p> <p>Access to programs, program changes and program development controls were tested by our IT experts.</p> <p>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.</p> <p>Testing on a sample basis was performed for recognition of daily transfers made to the cash boxes.</p> <p>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.</p> |

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| <b>Key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Application of the hyperinflationary accounting</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>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, 2024.</p> <p>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.</p> <p>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.</p> <p>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.</p> | <p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> <li>• 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,</li> <li>• We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</li> <li>• We have audited the restatements of corresponding figures as required by IAS 29,</li> <li>• We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with IAS 29.</li> </ul> |

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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 March 11, 2025.
- 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 2024 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  
A member firm of Ernst & Young Global Limited



Kaan Birdal, SMMM  
Partner

March 11, 2025  
İstanbul, Türkiye

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**CONSOLIDATED BALANCE SHEETS**  
**AT DECEMBER 31, 2024 AND DECEMBER 31, 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

**ASSETS**

|                                          |              | <b>Audited</b>               | <b>Audited</b>               |
|------------------------------------------|--------------|------------------------------|------------------------------|
|                                          | <b>Notes</b> | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
| <b>Current assets</b>                    |              | <b>74.041.405</b>            | <b>78.627.174</b>            |
| Cash and cash equivalents                | 4            | 2.815.106                    | 5.207.428                    |
| Financial investments                    | 5            | 5.424.545                    | 4.882.233                    |
| Trade receivables                        |              | 23.731.480                   | 23.281.120                   |
| - Trade receivables from third parties   | 7            | 23.731.480                   | 23.281.120                   |
| Other receivables                        | 8            | 733.320                      | 285.808                      |
| - Other receivables from related parties |              | 2.501                        | 1.477                        |
| - Other receivables from third parties   |              | 730.819                      | 284.331                      |
| Inventory                                | 9            | 37.085.931                   | 39.455.421                   |
| Prepaid expenses                         | 14           | 3.046.184                    | 3.027.620                    |
| Other current assets                     | 16           | 1.204.839                    | 2.487.544                    |
| <b>Non-current assets</b>                |              | <b>161.807.410</b>           | <b>135.245.043</b>           |
| Financial investments                    | 5            | 5.445.825                    | 6.372.280                    |
| Other receivables                        |              | 200.246                      | 198.174                      |
| - Other receivables from third parties   |              | 200.246                      | 198.174                      |
| Property, plant and equipment            | 10           | 90.078.727                   | 71.668.815                   |
| Intangible assets                        |              | 217.357                      | 262.996                      |
| - Other Intangible assets                | 11           | 185.429                      | 231.068                      |
| - Goodwill                               |              | 31.928                       | 31.928                       |
| Right of use assets                      | 12           | 63.998.991                   | 54.508.385                   |
| Prepaid expenses                         | 14           | 1.739.568                    | 2.133.830                    |
| Deferred tax assets                      | 25           | 126.696                      | 100.563                      |
| <b>Total assets</b>                      |              | <b>235.848.815</b>           | <b>213.872.217</b>           |

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

**CONSOLIDATED BALANCE SHEETS**  
**AT DECEMBER 31, 2024 AND DECEMBER 31, 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

**LIABILITIES**

|                                                                                      |       | Audited<br>December 31,<br>2024 | Audited<br>December 31,<br>2023 |
|--------------------------------------------------------------------------------------|-------|---------------------------------|---------------------------------|
|                                                                                      | Notes |                                 |                                 |
| <b>Current liabilities</b>                                                           |       | <b>74.673.138</b>               | <b>78.071.363</b>               |
| <b>Short-term liabilities</b>                                                        | 6     | <b>8.146.338</b>                | 6.726.362                       |
| - Lease liabilities                                                                  |       | 8.146.338                       | 6.726.362                       |
| <b>Trade payables</b>                                                                |       | <b>60.612.871</b>               | 65.179.105                      |
| - Trade payables due to related parties                                              | 28    | 5.107.121                       | 4.252.398                       |
| - Trade payables due to third parties                                                | 7     | 55.505.750                      | 60.926.707                      |
| <b>Other payables</b>                                                                |       | <b>1.864</b>                    | 1.253                           |
| - Other payables due to third parties                                                |       | 1.864                           | 1.253                           |
| <b>Deferred income</b>                                                               | 14    | <b>802.742</b>                  | 501.559                         |
| <b>Payables related to employee benefits</b>                                         |       | <b>1.253.855</b>                | 1.543.026                       |
| <b>Short term provisions</b>                                                         |       | <b>982.834</b>                  | 853.732                         |
| - Provision for employee benefits                                                    | 13    | 465.999                         | 351.281                         |
| - Other short-term provisions                                                        | 13    | 516.835                         | 502.451                         |
| <b>Current income tax liabilities</b>                                                | 25    | <b>1.300.260</b>                | 2.021.515                       |
| <b>Other current liabilities</b>                                                     | 16    | <b>1.572.374</b>                | 1.244.811                       |
| <b>Non-current liabilities</b>                                                       |       | <b>42.636.979</b>               | <b>35.108.595</b>               |
| <b>Long - term liabilities</b>                                                       | 6     | <b>28.829.650</b>               | 25.524.908                      |
| - Lease liabilities                                                                  |       | 28.829.650                      | 25.524.908                      |
| <b>current provisions</b>                                                            |       | <b>1.671.805</b>                | 1.731.236                       |
| - Provision for employee benefits                                                    | 15    | 1.671.805                       | 1.731.236                       |
| <b>Deferred tax liabilities</b>                                                      | 25    | <b>12.135.524</b>               | 7.852.451                       |
| <b>Equity</b>                                                                        |       | <b>118.538.698</b>              | <b>100.692.259</b>              |
| <b>Paid-in share capital</b>                                                         | 17    | <b>607.200</b>                  | 607.200                         |
| <b>Adjustments to share capital</b>                                                  | 17    | <b>5.789.666</b>                | 5.789.666                       |
| <b>Treasury Shares</b>                                                               | 17    | <b>(4.334.993)</b>              | (3.349.148)                     |
| <b>Other comprehensive income/(expense) not to be reclassified to profit or loss</b> |       | <b>22.772.009</b>               | 14.447.166                      |
| - Property, plant and equipment revaluation fund                                     | 10,17 | 25.220.630                      | 16.395.969                      |
| - Defined benefit plans revaluation fund loss                                        |       | (2.448.621)                     | (1.948.803)                     |
| <b>Other comprehensive income/(expense) to be reclassified to profit or loss</b>     |       | <b>(617.215)</b>                | 346.649                         |
| - Fair value increases in available-for-sale financial assets                        |       | 1.209.774                       | 2.020.422                       |
| - Foreign currency exchange difference                                               |       | (1.826.989)                     | (1.673.773)                     |
| <b>Restricted reserves</b>                                                           |       | <b>12.913.043</b>               | 11.140.937                      |
| <b>Retained earnings</b>                                                             |       | <b>61.923.657</b>               | 48.507.420                      |
| <b>Net income for the period</b>                                                     |       | <b>18.586.744</b>               | 22.293.141                      |
| <b>Equity holders of the parent</b>                                                  |       | <b>117.640.111</b>              | 99.783.031                      |
| <b>Non-controlling interests</b>                                                     |       | <b>898.587</b>                  | 909.228                         |
| <b>Total liabilities</b>                                                             |       | <b>235.848.815</b>              | <b>213.872.217</b>              |

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

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**BİM Birleşik Mağazalar A.Ş.**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

|                                                                          | Notes | Audited<br>January 1 -<br>December 31<br>2024 | Audited<br>January 1 -<br>December 31<br>2023 |
|--------------------------------------------------------------------------|-------|-----------------------------------------------|-----------------------------------------------|
| <b>PROFIT OR LOSS</b>                                                    |       |                                               |                                               |
| Revenue                                                                  | 18    | 519.566.633                                   | 474.200.415                                   |
| Cost of sales(-)                                                         | 18    | (428.749.498)                                 | (399.581.632)                                 |
| <b>GROSS PROFIT</b>                                                      |       | <b>90.817.135</b>                             | <b>74.618.783</b>                             |
| Marketing expenses (-)                                                   | 19    | (75.008.275)                                  | (60.948.267)                                  |
| General administrative expenses (-)                                      | 19    | (10.463.547)                                  | (8.821.127)                                   |
| Other operating income                                                   | 21    | 1.071.172                                     | 2.175.879                                     |
| Other operating expense (-)                                              | 21    | (1.114.758)                                   | (1.307.754)                                   |
| <b>OPERATING PROFIT</b>                                                  |       | <b>5.301.727</b>                              | <b>5.717.514</b>                              |
| Income related to investing activities                                   | 24    | 4.195.321                                     | 1.671.648                                     |
| Expense related to investing activities (-)                              | 24    | (88.270)                                      | (446.792)                                     |
| <b>OPERATING PROFIT BEFORE FINANCIAL EXPENSES</b>                        |       | <b>9.408.778</b>                              | <b>6.942.370</b>                              |
| Financial income                                                         | 22    | 105.796                                       | 570.249                                       |
| Financial expense (-)                                                    | 23    | (5.203.019)                                   | (4.009.657)                                   |
| Monetary gain                                                            | 29    | 21.622.007                                    | 28.324.779                                    |
| <b>PROFIT BEFORE TAX FROM CONTINUED OPERATIONS</b>                       |       | <b>25.933.562</b>                             | <b>31.827.741</b>                             |
| - Current tax expense                                                    | 25    | (4.855.060)                                   | (5.950.964)                                   |
| - Deferred tax expense                                                   | 25    | (2.465.556)                                   | (3.577.058)                                   |
| <b>PROFIT FROM CONTINUED OPERATIONS</b>                                  |       | <b>18.612.946</b>                             | <b>22.299.719</b>                             |
| <b>NET INCOME FOR THE PERIOD</b>                                         |       | <b>18.612.946</b>                             | <b>22.299.719</b>                             |
| <b>Profit for the period attributable to</b>                             |       |                                               |                                               |
| Equity holders of the parent                                             |       | 18.586.744                                    | 22.293.141                                    |
| Non-controlling interest                                                 | 27    | 26.202                                        | 6.578                                         |
| <b>Earnings per share</b>                                                |       |                                               |                                               |
| Earnings per share from continued operations (Full TRY)                  | 26    | 31,15                                         | 37,34                                         |
| <b>OTHER COMPREHENSIVE INCOME/EXPENSE</b>                                |       |                                               |                                               |
| <b>Items not to be reclassified to profit/(loss)</b>                     |       | <b>8.324.843</b>                              | <b>(1.075.953)</b>                            |
| Defined benefit pension plan revaluation (loss),net                      |       | (499.818)                                     | (752.107)                                     |
| Gain/(losses) on revaluation of property, plant and equipment, after tax |       | 8.824.661                                     | (323.846)                                     |
| <b>Items to be reclassified to profit /(loss):</b>                       |       | <b>(927.503)</b>                              | <b>475.398</b>                                |
| Revaluation of available for sale financial assets                       |       |                                               |                                               |
| Gain/(losses), net                                                       |       | (810.648)                                     | 873.696                                       |
| Currency exchange difference                                             |       | (116.855)                                     | (398.298)                                     |
| <b>Other Comprehensive Income</b>                                        |       | <b>7.397.340</b>                              | <b>(600.555)</b>                              |
| <b>Total comprehensive income</b>                                        |       | <b>26.010.286</b>                             | <b>21.699.164</b>                             |
| <b>Total comprehensive income attributable to</b>                        |       |                                               |                                               |
| Non-controlling interest                                                 | 27    | 62.563                                        | 184.877                                       |
| Equity holders of the parent                                             |       | 25.947.723                                    | 21.514.287                                    |

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

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

**BİM Birleşik Mağazalar A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 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 |                                                           |                   |                           |                        |                           |                    |
|                                                         | Paid-in share capital | Adjustments to share capital | Treasury shares    | Restricted reserves | Property, plant and equipment revaluation fund | Actuarial loss on defined benefit plans                             | Foreign currency exchange differences                           | Fair value changes in available-for-sale financial assets | Retained earnings | Net income for the period | Equities of the Parent | Non-controlling interests | Total equity       |
| Balance at January 1, 2023                              | 607.200               | 5.789.666                    | (3.112.299)        | 10.307.102          | 16.719.815                                     | (1.196.696)                                                         | (1.097.176)                                                     | 1.146.726                                                 | 30.250.728        | 23.961.446                | 83.376.512             | 806.921                   | 84.183.433         |
| Transfers                                               | -                     | -                            | -                  | 596.986             | -                                              | -                                                                   | -                                                               | -                                                         | 23.364.460        | (23.961.446)              | -                      | -                         | -                  |
| Increase/decrease due to acquisition of treasury shares | -                     | -                            | (236.849)          | 236.849             | -                                              | -                                                                   | -                                                               | -                                                         | (236.849)         | -                         | (236.849)              | -                         | (236.849)          |
| Dividend paid                                           | -                     | -                            | -                  | -                   | -                                              | -                                                                   | -                                                               | -                                                         | (4.957.372)       | -                         | (4.957.372)            | (82.570)                  | (5.039.942)        |
| Increase due to other changes                           | -                     | -                            | -                  | -                   | -                                              | -                                                                   | -                                                               | -                                                         | 86.453            | -                         | 86.453                 | -                         | 86.453             |
| Net income for the period                               | -                     | -                            | -                  | -                   | -                                              | -                                                                   | -                                                               | -                                                         | -                 | 22.293.141                | 22.293.141             | 6.578                     | 22.299.719         |
| Other comprehensive income                              | -                     | -                            | -                  | -                   | (323.846)                                      | (752.107)                                                           | (576.597)                                                       | 873.696                                                   | -                 | -                         | (778.854)              | 178.299                   | (600.555)          |
| <b>Total comprehensive income</b>                       | -                     | -                            | -                  | -                   | (323.846)                                      | (752.107)                                                           | (576.597)                                                       | 873.696                                                   | -                 | 22.293.141                | 21.514.287             | 184.877                   | 21.699.164         |
| Balance at December 31, 2023                            | 607.200               | 5.789.666                    | (3.349.148)        | 11.140.937          | 16.395.969                                     | (1.948.803)                                                         | (1.673.773)                                                     | 2.020.422                                                 | 48.507.420        | 22.293.141                | 99.783.031             | 909.228                   | 100.692.259        |
| <b>Balance at January 1, 2024</b>                       | <b>607.200</b>        | <b>5.789.666</b>             | <b>(3.349.148)</b> | <b>11.140.937</b>   | <b>16.395.969</b>                              | <b>(1.948.803)</b>                                                  | <b>(1.673.773)</b>                                              | <b>2.020.422</b>                                          | <b>48.507.420</b> | <b>22.293.141</b>         | <b>99.783.031</b>      | <b>909.228</b>            | <b>100.692.259</b> |
| Transfers                                               | -                     | -                            | -                  | 786.261             | -                                              | -                                                                   | -                                                               | -                                                         | 21.506.880        | (22.293.141)              | -                      | -                         | -                  |
| Increase/decrease due to acquisition of treasury shares | -                     | -                            | (985.845)          | 985.845             | -                                              | -                                                                   | -                                                               | -                                                         | (985.845)         | -                         | (985.845)              | -                         | (985.845)          |
| Dividend paid (Note 17)                                 | -                     | -                            | -                  | -                   | -                                              | -                                                                   | -                                                               | -                                                         | (7.104.798)       | -                         | (7.104.798)            | (73.204)                  | (7.178.002)        |
| Net income for the period                               | -                     | -                            | -                  | -                   | -                                              | -                                                                   | -                                                               | -                                                         | -                 | 18.586.744                | 18.586.744             | 26.202                    | 18.612.946         |
| Other comprehensive income                              | -                     | -                            | -                  | -                   | 8.824.661                                      | (499.818)                                                           | (153.216)                                                       | (810.648)                                                 | -                 | -                         | 7.360.979              | 36.361                    | 7.397.340          |
| <b>Total comprehensive income</b>                       | -                     | -                            | -                  | -                   | 8.824.661                                      | (499.818)                                                           | (153.216)                                                       | (810.648)                                                 | -                 | 18.586.744                | 25.947.723             | 62.563                    | 26.010.286         |
| <b>Balance at December 31, 2024</b>                     | <b>607.200</b>        | <b>5.789.666</b>             | <b>(4.334.993)</b> | <b>12.913.043</b>   | <b>25.220.630</b>                              | <b>(2.448.621)</b>                                                  | <b>(1.826.989)</b>                                              | <b>1.209.774</b>                                          | <b>61.923.657</b> | <b>18.586.744</b>         | <b>117.640.111</b>     | <b>898.587</b>            | <b>118.538.698</b> |

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIODS ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

|                                                                                                               |              | <b>Audited</b>                     | <b>Audited</b>                     |
|---------------------------------------------------------------------------------------------------------------|--------------|------------------------------------|------------------------------------|
|                                                                                                               |              | <b>January 1-<br/>December 31,</b> | <b>January 1-<br/>December 31,</b> |
|                                                                                                               | <b>Notes</b> | <b>2024</b>                        | <b>2023</b>                        |
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                |              | <b>31.204.109</b>                  | <b>30.234.533</b>                  |
| <b>Profit for the period</b>                                                                                  |              | <b>18.612.946</b>                  | <b>22.299.719</b>                  |
| <b>Adjustments to reconcile profit for the period</b>                                                         |              | <b>18.810.141</b>                  | <b>12.764.746</b>                  |
| Depreciation and amortization                                                                                 | 10,11,12     | 17.212.576                         | 15.004.332                         |
| Provisions for impairments                                                                                    |              | 17.536                             | 400                                |
| - Provisions for impairments of inventories                                                                   | 9            | 17.747                             | 1.009                              |
| - Allowance for doubtful receivables                                                                          | 8            | (211)                              | (609)                              |
| <b>Adjustments related to provisions</b>                                                                      |              | <b>644.622</b>                     | <b>2.276.817</b>                   |
| - Adjustments related to provision for employment termination benefits                                        | 13,15        | 800.110                            | 2.072.976                          |
| - Adjustments related to the legal provisions                                                                 | 13           | (206.757)                          | 180.061                            |
| - Adjustments related to other provisions                                                                     | 13           | 51.269                             | 23.780                             |
| <b>Adjustments related to financial income and expense</b>                                                    |              | <b>7.939.020</b>                   | <b>5.219.288</b>                   |
| - Adjustments related to financial expenses                                                                   | 23           | 4.491.040                          | 3.438.887                          |
| - Adjustments related to deferred financial expense from future purchases.                                    | 30           | 3.447.980                          | 1.780.401                          |
| Adjustments for tax expense                                                                                   | 25           | 7.320.616                          | 9.528.022                          |
| Gain/(loss) on sale of tangible and intangible assets                                                         | 24           | 88.270                             | 443.714                            |
| Adjustments related to unrealized currency exchange differences                                               |              | 393.737                            | (569.911)                          |
| Adjustments related to monetary gain / (loss)                                                                 |              | (14.877.325)                       | (19.163.996)                       |
| Other adjustments related profit / (loss) reconciliation                                                      |              | 71.089                             | 26.080                             |
| <b>Changes in net working capital</b>                                                                         |              | <b>194.315</b>                     | <b>(2.783.933)</b>                 |
| Increases/decreases in inventories                                                                            |              | 2.351.743                          | (4.227.177)                        |
| Increases/decreases in trade receivables                                                                      |              | (450.360)                          | (6.451.455)                        |
| Increases/decreases in other assets                                                                           |              | (269.313)                          | (90.758)                           |
| Increases/decreases in trade payables                                                                         |              | (8.014.214)                        | 4.530.473                          |
| Increases/decreases in other payables                                                                         |              | 611                                | (817)                              |
| Increases/decreases other net working capital                                                                 |              | 6.575.848                          | 3.455.801                          |
| <b>Net cash generated from operating activities</b>                                                           |              | <b>37.617.402</b>                  | <b>32.280.532</b>                  |
| Income taxes paid                                                                                             | 25           | (5.574.165)                        | (523.558)                          |
| Employee benefits paid                                                                                        | 15           | (839.128)                          | (1.522.441)                        |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                |              | <b>(16.930.052)</b>                | <b>(17.520.944)</b>                |
| Proceeds from sale of tangible and intangible assets                                                          |              | 743.638                            | 188.595                            |
| Cash outflows from purchases of tangible and intangible assets                                                | 10,11        | (18.452.095)                       | (15.181.019)                       |
| - Purchases of tangible assets                                                                                | 10           | (18.406.668)                       | (15.092.967)                       |
| - Purchases of intangible assets                                                                              | 11           | (45.427)                           | (88.052)                           |
| Participation (profit) share and cash inflows/(outflows) from other financial instruments                     |              | 384.143                            | (1.489.082)                        |
| Cash advances given and liabilities                                                                           | 14           | 394.262                            | (1.039.438)                        |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                |              | <b>(15.837.437)</b>                | <b>(11.793.850)</b>                |
| Cash outflows from payments of rent agreements                                                                | 6            | (7.673.590)                        | (6.599.629)                        |
| Dividend paid                                                                                                 | 17           | (7.178.002)                        | (4.957.372)                        |
| Cash inflows/(outflows) related to the company's own shares and receivables based on other equity instruments | 17           | (985.845)                          | (236.849)                          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY EXCHANGE DIFFERENCES (A+B+C)</b>                 |              | <b>(1.563.380)</b>                 | <b>919.739</b>                     |
| Monetary loss on cash and cash equivalents                                                                    |              | (794.214)                          | (1.045.614)                        |
| <b>D. EFFECTS OF CURRENCY EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>                               |              | <b>(34.728)</b>                    | <b>142.976</b>                     |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>                                                    |              | <b>(2.392.322)</b>                 | <b>17.101</b>                      |
| <b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                                            | 4            | <b>5.207.428</b>                   | <b>5.190.327</b>                   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>                                         | 4            | <b>2.815.106</b>                   | <b>5.207.428</b>                   |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

**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 Maroc 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 Maroc 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 Morocco's financial statements are consolidated by using the full consolidation method as of December 31, 2024.

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 Egypt were opened in April 2013. Bim Egypt's financial statements are consolidated by using the full consolidation method as of December 31, 2024.

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's financial statements are consolidated by using the full consolidation method as of December 31, 2024.

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's financial statements are consolidated by using the full consolidation method as of December 31, 2024.

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's financial statements are consolidated by using the full consolidation method as of December 31, 2024.

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, 2024.

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, 2024 by using the full consolidation method.

Emek Yatırım Proje Geliştirme A.Ş. ("Emek Yatırım") which is a 100% subsidiary of the Company within the scope of real estate investments acquired all the shares of its subsidiary on April 5, 2024. The financial results of Emek Yatırım are consolidated in accordance with the full consolidation method in the financial statements dated December 31, 2024. An application was made to the Capital Markets Board on August 15, 2024 and on 11 February 2025, the merger was completed and registered by the Istanbul Trade Registry Office.

Desto Atık Yönetimi A.Ş. ("Desto"), a 100% subsidiary of the Company, was established on July 9, 2024 in order to achieve the sustainability targets of the Company and to manage waste management activities more efficiently. Desto's financial results have been consolidated in the financial statements as of December 31, 2024 by using the full consolidation method.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 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 March 11, 2025.

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, 2024 and 2023, the year-end number of employees in accordance with their categories is shown below:

|                     | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|---------------------|------------------------------|----------------------|
| Office personnel    | <b>4.652</b>                 | 4.315                |
| Warehouse personnel | <b>9.380</b>                 | 8.092                |
| Store personnel     | <b>81.598</b>                | 74.240               |
| <b>Total</b>        | <b>95.630</b>                | 86.647               |

As of December 31, 2024 the Group operates in 13.583 stores (December 31, 2023: 12.482).

**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 July 2024 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 TFRS 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 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 December 31, 2024 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:

| <b>Year-end</b> | <b>Index</b> |
|-----------------|--------------|
| <b>2004</b>     | 113,86       |
| <b>2005</b>     | 122,65       |
| <b>2006</b>     | 134,49       |
| <b>2007</b>     | 145,77       |
| <b>2008</b>     | 160,44       |
| <b>2009</b>     | 170,91       |
| <b>2010</b>     | 181,85       |
| <b>2011</b>     | 200,85       |
| <b>2012</b>     | 213,23       |
| <b>2013</b>     | 229,01       |
| <b>2014</b>     | 247,72       |
| <b>2015</b>     | 269,54       |
| <b>2016</b>     | 292,54       |
| <b>2017</b>     | 327,41       |
| <b>2018</b>     | 393,88       |
| <b>2019</b>     | 440,50       |
| <b>2020</b>     | 504,81       |
| <b>2021</b>     | 686,95       |
| <b>2022</b>     | 1.128,45     |
| <b>2023</b>     | 1.859,38     |
| <b>2024</b>     | 2.684,55     |

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 December 31, 2024. Non-monetary items which are not expressed in terms of measuring unit as of December 31, 2024 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRS, 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

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### **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 December 31, 2024.

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**

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 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, 2024 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 of January 1, 2024 are as follows:**

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

In 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 clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also 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 must be applied retrospectively in accordance with TAS 8.

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

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

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### **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 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 did not have a significant impact on the financial position or performance of the Group.

#### **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 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

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

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

##### **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. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 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 21 - Lack of exchangeability**

In May 2024, POA issued amendments to TAS 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 will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

#### **iii) The amendments which are effective immediately upon issuance**

##### **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.

Its impact has been evaluated and reflected in the financial statements.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

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

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

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

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 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.

#### **Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments**

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

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

#### **Annual Improvements to IFRS Accounting Standards – Volume 11**

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

It has been assessed the impact of the standard on financial position or performance of the Group.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

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

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

##### **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

It has been assessed the impact of the standard on 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.

It has been assessed the impact of the standard on financial position or performance of the Group.

##### **IFRS 19 – Subsidiaries without Public Accountability: Disclosures**

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

It has been assessed the impact of the standard on 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, 2024 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.

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 Maroc 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 = 0,2863 MAD and 1 TRY = 0,2858 MAD exchange rates respectively and in the conversion of the income statement, the average exchange rate occurred during the period, 1 TRY = 0,3031 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

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

#### **2.4. The new standards, amendments and interpretations (Cont'd)**

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 = 1,4395 EGP and 1 TRY = 1,4398 EGP exchange rates respectively and in the conversion of the income statement, the average exchange rate occurred during the period, 1 TRY = 1,3807 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, 2024. 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

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

#### **2.5 Basis of consolidation (Cont'd)**

##### **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.

##### **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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

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

#### **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.

##### **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.

##### **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 17 days term (December 31, 2023: 15 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 trade 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
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**2. Basis of preparation of financial statements (Cont'd)**

**2.8 Summary of significant accounting policies (Cont'd)**

**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.
  - 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR  
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**2. Basis of preparation of financial statements (Cont'd)**

**2.8 Summary of significant accounting policies (Cont'd)**

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:

|           | <b>Duration (Year)</b> |
|-----------|------------------------|
| 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:

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

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

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payment made; and
- 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.

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

**2.8 Summary of significant accounting policies (Cont'd)**

**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:

**Property, plant and equipment**

|                         | <b>Duration (Years)</b> |
|-------------------------|-------------------------|
| 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 revalued 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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

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

#### **2.8 Summary of significant accounting policies (Cont'd)**

##### **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.

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).

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

#### **2.8 Summary of significant accounting policies (Cont'd)**

##### **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.

##### *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.

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

#### **2.8 Summary of significant accounting policies (Cont'd)**

##### **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.

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 54 days term (December 31, 2023: 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.

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

**2.8 Summary of significant accounting policies (Cont'd)**

**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.

**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:

|                   | <b>US Dollars/TRY (full)</b> | <b>EUR /TRY (full)</b> | <b>GBP/TRY (full)</b> |
|-------------------|------------------------------|------------------------|-----------------------|
| December 31, 2024 | 35,2803                      | 36,7362                | 44,2073               |
| December 31, 2023 | 29,4382                      | 32,5739                | 37,4417               |

**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.

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

**2.8 Summary of significant accounting policies (Cont'd)**

*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.

**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.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023**

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### **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 nearly in a single industry and operations inside and 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.

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**4. Cash and cash equivalents**

|                                  | December 31, 2024 | December 31, 2023 |
|----------------------------------|-------------------|-------------------|
| Cash on hand                     | 1.240.072         | 1.849.944         |
| Banks                            | 1.004.567         | 2.100.251         |
| - Demand deposits                | 1.004.567         | 2.100.251         |
| Cash in transit                  | 570.467           | 1.257.233         |
| <b>Cash and cash equivalents</b> | <b>2.815.106</b>  | <b>5.207.428</b>  |

As of December 31, 2024 and 2023 there is no restricted cash. As of December 31, 2024, there are no participation accounts.

**5. Financial assets**

**a) Short-term financial assets**

As of December 31, 2024 and 2023 Group's short-term financial investments measured at fair value through profit and loss are detailed in the table below:

|                    | December 31, 2024 | December 31, 2023 |
|--------------------|-------------------|-------------------|
| Investment funds   | 5.424.545         | 4.438.021         |
| Lease certificates | -                 | 444.212           |
|                    | <b>5.424.545</b>  | <b>4.882.233</b>  |

**b) Long-term financial assets**

Financial investments amounting to TRY 5.445.825 as of December 31, 2024 are detailed below (December 31, 2023: TRY 6.372.280).

*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, 2024 | Share (%) | December 31, 2023 |
|---------------------------------------|-----------|-------------------|-----------|-------------------|
| FLO Mağazacılık ve Pazarlama A.Ş. (*) | 11,5      | 5.445.825         | 11,5      | 6.372.280         |
|                                       |           | <b>5.445.825</b>  |           | <b>6.372.280</b>  |

(\*) As of December 31, 2024 the fair value of available-for-sale financial asset is calculated by using discounted cash flow analysis method with discount rate used as %22,5 and the terminal growth rate used as %10,8.

|                              | December 31, 2024 | December 31, 2023 |
|------------------------------|-------------------|-------------------|
| Opening - January 1          | 6.372.280         | 4.978.092         |
| Impairment                   | -                 | 1.394.188         |
| Increase                     | (926.455)         | -                 |
| <b>Closing – December 31</b> | <b>5.445.825</b>  | <b>6.372.280</b>  |

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**6. Financial liabilities**

**a) Lease Liabilities**

| <b>Short-term portion of long-term liabilities</b> | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|----------------------------------------------------|------------------------------|------------------------------|
| Lease liabilities                                  | <b>8.146.338</b>             | 6.726.362                    |
|                                                    | <b>8.146.338</b>             | 6.726.362                    |
| <b>Long-term lease liabilities</b>                 | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
| Lease liabilities                                  | <b>28.829.650</b>            | 25.524.908                   |
|                                                    | <b>28.829.650</b>            | 25.524.908                   |
| <b>Total borrowings</b>                            | <b>36.975.988</b>            | 32.251.270                   |

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

|                       | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-----------------------|------------------------------|------------------------------|
| Shorter than 3 months | <b>2.212.048</b>             | 4.361.383                    |
| 3 - 12 month          | <b>5.934.290</b>             | 2.364.979                    |
| More than 12 months   | <b>28.829.650</b>            | 25.524.908                   |
|                       | <b>36.975.988</b>            | 32.251.270                   |

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

As of December 31, 2024 and 2023 the movement table of the Group's liabilities arising from leasing transactions is as follows.

|                                                       | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-------------------------------------------------------|------------------------------|------------------------------|
| <b>Opening - January 1</b>                            | <b>32.251.270</b>            | 28.335.564                   |
| Cash outflows from payments of lease liabilities      | <b>(7.673.590)</b>           | (6.599.629)                  |
| Additions (Note 12)                                   | <b>22.184.976</b>            | 28.188.145                   |
| Changes in financial expenses accrual (Note 23)       | <b>4.491.040</b>             | 3.438.887                    |
| Exchange rate differences                             | <b>16.366</b>                | 174.511                      |
| Change in accruals for termination of lease (Note 21) | <b>(556.382)</b>             | (506.378)                    |
| Foreign currency exchange differences                 | <b>448.583</b>               | (1.451.106)                  |
| Monetary gain/ (loss)                                 | <b>(14.186.275)</b>          | (19.328.724)                 |
| <b>Closing – December 31</b>                          | <b>36.975.988</b>            | 32.251.270                   |

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**7. Trade receivables and payables**

**a) Trade receivables from third parties**

|                                      | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|----------------------|----------------------|
| Credit card receivables              | 23.724.576           | 23.243.533           |
| Trade receivables from third parties | 6.904                | 36.760               |
| Other trade receivables              | -                    | 827                  |
|                                      | <b>23.731.480</b>    | <b>23.281.120</b>    |

As of December 31, 2024 the average term of trade receivables is 17 days (December 31, 2023: 15 days).

**b) Trade payables due to third parties**

|                        | December 31,<br>2024 | December 31,<br>2023 |
|------------------------|----------------------|----------------------|
| Trade payables         | 58.612.600           | 62.610.455           |
| Rediscount expense (-) | (3.106.850)          | (1.683.748)          |
|                        | <b>55.505.750</b>    | <b>60.926.707</b>    |

As of December 31, 2024 the average term of trade payables is 54 days (December 31, 2023: 57 days). As of December 31, 2024 letters of guarantee, cheques and notes are amounting to TRY 4.832.008 and mortgages are amounting to TRY 61.741 (December 31, 2023: letters of guarantee, cheques and notes amounting to TRY 4.174.675 and mortgages amounting to TRY 74.380 ).

**8. Other receivables**

**a) Other receivables from related parties**

|                                  | December 31,<br>2024 | December 31,<br>2023 |
|----------------------------------|----------------------|----------------------|
| Receivables from related parties | 2.501                | 1.477                |
|                                  | <b>2.501</b>         | <b>1.477</b>         |

**b) Other receivables from third parties**

|                                          | December 31,<br>2024 | December 31,<br>2023 |
|------------------------------------------|----------------------|----------------------|
| Other receivables                        | 730.819              | 284.331              |
| Doubtful receivables                     | 11.784               | 18.761               |
| Less: Allowance for doubtful receivables | (11.784)             | (18.761)             |
|                                          | <b>730.819</b>       | <b>284.331</b>       |

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

|                                                       | December 31,<br>2024 | December 31,<br>2023 |
|-------------------------------------------------------|----------------------|----------------------|
| Balance at the beginning of the period – January 1    | 18.761               | 27.087               |
| Allowance for doubtful receivables                    | 211                  | 969                  |
| Collection in current year                            | -                    | (360)                |
| Monetary gain / (loss)                                | (7.188)              | (8.935)              |
| <b>Balance at the end of the period – December 31</b> | <b>11.784</b>        | <b>18.761</b>        |

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**9. Inventories**

|                                           | December 31,<br>2024 | December 31,<br>2023 |
|-------------------------------------------|----------------------|----------------------|
| Trade goods, net                          | 36.875.346           | 39.211.959           |
| Other                                     | 286.160              | 301.290              |
| Allowance for impairment on inventory (-) | (75.575)             | (57.828)             |
|                                           | <b>37.085.931</b>    | <b>39.455.421</b>    |

Cost of inventories amounting to TRY 428.749.498 (December 31, 2023: TRY 399.581.632) was recognized under cost of sales.

As of December 31, 2024 an allowance for impairment amounting to TRY 75.575 (December 31, 2023: TRY 57.828) has been made for trade goods.

The movement of impairment for inventories in 2024 and 2023 is as follows:

|                                                       | December 31,<br>2024 | December 31,<br>2023 |
|-------------------------------------------------------|----------------------|----------------------|
| Balance at the beginning of the period - January 1    | 57.828               | 56.819               |
| Reversal of impairment provision                      | (57.828)             | (56.819)             |
| Allowance for impairment                              | 75.575               | 57.828               |
| <b>Balance at the end of the period – December 31</b> | <b>75.575</b>        | <b>57.828</b>        |

**10. Property, plant and equipment**

The movements of property, plant and equipment and the related accumulated depreciation for the periods ended December 31, 2024 and 2023 are as follows:

|                                        | January 1,<br>2024  | Additions          | Disposals          | Transfers | Revaluation       | Currency<br>exchange<br>differences | December 31,<br>2024 |
|----------------------------------------|---------------------|--------------------|--------------------|-----------|-------------------|-------------------------------------|----------------------|
| <b>Cost or revalued amount</b>         |                     |                    |                    |           |                   |                                     |                      |
| Land                                   | 15.065.238          | 387.906            | -                  | 24.472    | 3.195.770         | (103.541)                           | 18.569.845           |
| Land improvements                      | 346.974             | 149.329            | (42)               | 821       | -                 | -                                   | 497.082              |
| Buildings                              | 22.825.065          | 516.594            | (3.608)            | 630.829   | 7.665.351         | (49.690)                            | 31.584.541           |
| Machinery and equipment                | 26.390.064          | 7.045.950          | (654.012)          | (12.043)  | -                 | (247.859)                           | 32.522.100           |
| Vehicles                               | 5.643.304           | 1.678.132          | (133.265)          | 18.906    | -                 | (42.967)                            | 7.164.110            |
| Furniture and fixtures                 | 11.222.032          | 2.586.163          | (301.790)          | 6.131     | -                 | (81.948)                            | 13.430.588           |
| Leasehold improvements                 | 23.945.129          | 4.592.985          | (349.369)          | 199.542   | -                 | (335.887)                           | 28.052.400           |
| Construction in progress               | 1.986.339           | 1.449.609          | (527.817)          | (868.658) | -                 | 4.248                               | 2.043.721            |
|                                        | <b>107.424.145</b>  | <b>18.406.668</b>  | <b>(1.969.903)</b> | <b>-</b>  | <b>10.861.121</b> | <b>(857.644)</b>                    | <b>133.864.387</b>   |
| <b>Less : Accumulated depreciation</b> |                     |                    |                    |           |                   |                                     |                      |
| Land improvements                      | (270.229)           | (90.860)           | 8                  | -         | -                 | -                                   | (361.081)            |
| Buildings                              | (1.531.613)         | (1.823.100)        | 2.722              | -         | -                 | 3.344                               | (3.348.647)          |
| Machinery and equipment                | (11.973.316)        | (2.991.158)        | 530.939            | -         | -                 | 147.264                             | (14.286.271)         |
| Vehicles                               | (3.240.925)         | (891.216)          | 105.025            | -         | -                 | 14.900                              | (4.012.216)          |
| Furniture and fixtures                 | (6.666.083)         | (1.690.492)        | 282.209            | -         | -                 | 34.066                              | (8.040.300)          |
| Leasehold improvements                 | (12.073.164)        | (2.004.915)        | 217.188            | -         | -                 | 123.746                             | (13.737.145)         |
|                                        | <b>(35.755.330)</b> | <b>(9.491.741)</b> | <b>1.138.091</b>   | <b>-</b>  | <b>-</b>          | <b>323.320</b>                      | <b>(43.785.660)</b>  |
| <b>Net book value</b>                  | <b>71.668.815</b>   |                    |                    |           |                   |                                     | <b>90.078.727</b>    |

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

|                                            | January 1,<br>2023 | Additions   | Disposals   | Transfers | Impairment<br>provision | Currency<br>exchange<br>differences | December 31,<br>2023 |
|--------------------------------------------|--------------------|-------------|-------------|-----------|-------------------------|-------------------------------------|----------------------|
| <b>Cost or revalued<br/>amount</b>         |                    |             |             |           |                         |                                     |                      |
| Land                                       | 14.289.811         | 789.955     | -           | -         | -                       | (14.528)                            | 15.065.238           |
| Land improvements                          | 321.090            | 29.491      | (4.120)     | 513       | -                       | -                                   | 346.974              |
| Buildings                                  | 21.853.787         | 1.210.345   | (88.802)    | 45.372    | (143.599)               | (52.038)                            | 22.825.065           |
| Machinery and<br>equipment                 | 22.492.799         | 4.438.131   | (725.583)   | 186.055   | -                       | (1.338)                             | 26.390.064           |
| Vehicles                                   | 4.541.514          | 1.196.746   | (127.079)   | 18.517    | -                       | 13.606                              | 5.643.304            |
| Furniture and fixtures                     | 9.389.526          | 2.157.944   | (325.668)   | 846       | -                       | (616)                               | 11.222.032           |
| Leasehold improvements                     | 20.874.134         | 3.637.347   | (509.609)   | 196.331   | -                       | (253.074)                           | 23.945.129           |
| Construction in progress                   | 861.595            | 1.633.008   | (14.894)    | (447.634) | -                       | (45.736)                            | 1.986.339            |
|                                            | 94.624.256         | 15.092.967  | (1.795.755) | -         | (143.599)               | (353.724)                           | 107.424.145          |
| <b>Less : Accumulated<br/>depreciation</b> |                    |             |             |           |                         |                                     |                      |
| Land improvements                          | (233.772)          | (39.698)    | 3.254       | -         | -                       | (13)                                | (270.229)            |
| Buildings                                  | -                  | (1.526.524) | 1.350       | -         | 2.105                   | (8.544)                             | (1.531.613)          |
| Machinery and<br>equipment                 | (10.384.430)       | (2.125.713) | 503.980     | -         | -                       | 32.847                              | (11.973.316)         |
| Vehicles                                   | (2.642.038)        | (691.606)   | 97.999      | -         | -                       | (5.280)                             | (3.240.925)          |
| Furniture and fixtures                     | (5.613.187)        | (1.345.160) | 281.430     | -         | -                       | 10.834                              | (6.666.083)          |
| Leasehold improvements                     | (10.695.424)       | (1.653.068) | 278.315     | -         | -                       | (2.987)                             | (12.073.164)         |
|                                            | (29.568.851)       | (7.381.769) | 1.166.328   | -         | 2.105                   | 26.857                              | (35.755.330)         |
| <b>Net book value</b>                      | 65.055.405         |             |             |           |                         |                                     | 71.668.815           |

As of January 1 – December 31, 2024, depreciation expense amounting to TRY 8.056.124 (January 1- December 31, 2023: TRY 6.621.229) were recognized in marketing expenses and TRY 856.576 (January 1- December 31, 2023: TRY 656.711) in general and administrative expenses and TRY 579.041 (January 1 – December 31, 2023: TRY 103.829) were recognized in cost of goods sold for the period January 1- December 31, 2024.

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, 2024, the Group carries its land and buildings over the revalued amounts in the consolidated financial statements. The revaluation surplus, as of December 31, 2024 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).

**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.

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

**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 taking into account the data of expenditure and revenue belonging to the revaluated property. Discounting is related to revenue and value, which converts 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 revalues 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, 2024.

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.

**Pledges and mortgages on assets**

As of December 31, 2024 and 2023, there is no pledge or mortgage on property and equipment of the Group.

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**11. Intangible assets**

The movements of intangible assets and related accumulated amortization for the periods ended December 31, 2024 and 2023 are as follows:

|                                 | January 1,<br>2024 | Additions | Disposal | Currency<br>exchange<br>differences | December 31,<br>2024 |
|---------------------------------|--------------------|-----------|----------|-------------------------------------|----------------------|
| <b>Cost</b>                     |                    |           |          |                                     |                      |
| Right                           | 1.019.242          | 45.427    | (10.224) | 4.478                               | 1.058.923            |
|                                 | 1.019.242          | 45.427    | (10.224) | 4.478                               | 1.058.923            |
| <b>Accumulated amortization</b> |                    |           |          |                                     |                      |
| Right                           | (788.174)          | (92.181)  | 10.128   | (3.267)                             | (873.494)            |
|                                 | (788.174)          | (92.181)  | 10.128   | (3.267)                             | (873.494)            |
| <b>Net book value</b>           | <b>231.068</b>     |           |          |                                     | <b>185.429</b>       |

|                                 | January 1,<br>2023 | Additions | Disposals | Currency<br>exchange<br>differences | December 31,<br>2023 |
|---------------------------------|--------------------|-----------|-----------|-------------------------------------|----------------------|
| <b>Cost</b>                     |                    |           |           |                                     |                      |
| Right                           | 865.532            | 88.052    | (10.976)  | 75.483                              | 1.018.091            |
| Other intangible assets         | 8.651              | -         | (7.500)   | -                                   | 1.151                |
|                                 | 874.183            | 88.052    | (18.476)  | 75.483                              | 1.019.242            |
| <b>Accumulated amortization</b> |                    |           |           |                                     |                      |
| Right                           | (614.232)          | (163.746) | 8.118     | (17.361)                            | (787.221)            |
| Other intangible assets         | (8.427)            | -         | 7.474     | -                                   | (953)                |
|                                 | (622.659)          | (163.746) | 15.592    | (17.361)                            | (788.174)            |
| <b>Net book value</b>           | <b>251.524</b>     |           |           |                                     | <b>231.068</b>       |

As of December 31, 2024 amortization expense amounting to TRY 83.032 (January 1- December 31, 2023: TRY 145.072) has been charged in marketing expenses and TRY 8.828 (January 1- December 31, 2023: TRY 14.389) in general and administrative expenses and TRY 321 (January 1- December 31, 2023: TRY 4.285) 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.

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**12. Right of Use Assets**

The movements of right use of assets and the related accumulated depreciation for the period ended December 31, 2024 and 2023 as follows:

|                                | January 1,<br>2024 | Additions   | Disposals   | Currency<br>exchange<br>differences | December 31,<br>2024 |
|--------------------------------|--------------------|-------------|-------------|-------------------------------------|----------------------|
| Building                       | 79.999.833         | 21.873.233  | (4.948.249) | (1.827.666)                         | 95.097.151           |
| Vehicles                       | 1.493.222          | 311.743     | (564.112)   | (54.985)                            | 1.185.868            |
|                                | 81.493.055         | 22.184.976  | (5.512.361) | (1.882.651)                         | 96.283.019           |
| Less: Accumulated amortization |                    |             |             |                                     |                      |
| Building                       | (25.887.142)       | (7.238.249) | 1.016.175   | 772.884                             | (31.336.332)         |
| Vehicles                       | (1.097.528)        | (390.405)   | 502.930     | 37.307                              | (947.696)            |
|                                | (26.984.670)       | (7.628.654) | 1.519.105   | 810.191                             | (32.284.028)         |
| <b>Net book value</b>          | <b>54.508.385</b>  |             |             |                                     | <b>63.998.991</b>    |

|                                | January 1,<br>2023 | Additions   | Disposals    | Currency<br>exchange<br>differences | December 31,<br>2023 |
|--------------------------------|--------------------|-------------|--------------|-------------------------------------|----------------------|
| Building                       | 62.226.295         | 27.711.432  | (9.797.553)  | (140.341)                           | 79.999.833           |
| Vehicles                       | 1.448.138          | 476.713     | (420.098)    | (11.531)                            | 1.493.222            |
|                                | 63.674.433         | 28.188.145  | (10.217.651) | (151.872)                           | 81.493.055           |
| Less: Accumulated amortization |                    |             |              |                                     |                      |
| Building                       | (19.741.415)       | (7.173.574) | 1.068.382    | (40.535)                            | (25.887.142)         |
| Vehicles                       | (990.138)          | (285.243)   | 175.534      | 2.319                               | (1.097.528)          |
|                                | (20.731.553)       | (7.458.817) | 1.243.916    | (38.216)                            | (26.984.670)         |
| <b>Net book value</b>          | <b>42.942.880</b>  |             |              |                                     | <b>54.508.385</b>    |

For the period ended December 31, 2024, TRY 6.895.484 (December 31, 2023, TRY 6.785.785) of amortization expenses is recognized under selling and marketing expenses and TRY 733.170 (December 31, 2023: TRY 673.032) is recognized under general administrative expenses.

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**13. Provisions, contingent assets and liabilities**

**a) Short term provisions for employee benefits**

Unused vacation amounting to TRY 600.024 is shown on the current provisions for employee benefits amounting in the Group account of short-term provisions for the period ended December 31, 2024 (December 31, 2023: TRY 502.203).

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

|                                                       | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the period – January 1    | 351.281                         | 252.350                         |
| Used in the period                                    | (351.281)                       | (252.350)                       |
| Provision of unused vacation                          | 600.024                         | 502.203                         |
| Monetary gain / (loss)                                | (134.025)                       | (150.922)                       |
| <b>Balance at the end of the period – December 31</b> | <b>465.999</b>                  | <b>351.281</b>                  |

**b) Other short-term provisions**

|                      | December 31,<br>2024 | December 31,<br>2023 |
|----------------------|----------------------|----------------------|
| Legal provisions (*) | 350.236              | 387.121              |
| Other                | 166.599              | 115.330              |
| <b>Total</b>         | <b>516.835</b>       | <b>502.451</b>       |

(\*) As of December 31, 2024 and 2023 the total amount of outstanding lawsuits filed against the Group, TRY 1.081.929 and TRY 767.965 (in historical terms), respectively. The Group recognized provisions amounting to TRY 350.236 and TRY 387.121 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows:

|                                                       | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the period - January 1    | 387.121                         | 207.061                         |
| Provisions required                                   | 102.229                         | 308.986                         |
| Monetary gain / (loss)                                | (139.114)                       | (128.926)                       |
| <b>Balance at the end of the period – December 31</b> | <b>350.236</b>                  | <b>387.121</b>                  |

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

**Letter of guarantees, mortgages and pledges given by the Group**

As of December 31, 2024 and 2023 breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

|                                                                                                                                              | December 31, 2024       |                |                |     |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------|----------------|-----|--------------------|
|                                                                                                                                              | Total TRY<br>equivalent | TRY            | US Dollars     | EUR | Moroccan<br>Dirham |
| A. Total amount of guarantees, pledges and mortgages given in the name of                                                                    | <b>348.109</b>          | <b>339.258</b> | <b>250.870</b> | -   | -                  |
| <i>Guarantee</i>                                                                                                                             | 348.109                 | 339.258        | 250.870        | -   | -                  |
| <i>Pledge</i>                                                                                                                                | -                       | -              | -              | -   | -                  |
| <i>Mortgage</i>                                                                                                                              | -                       | -              | -              | -   | -                  |
| B. Total amount of guarantees, pledges and mortgages provided on behalf of the parties which are included in the scope of full consolidation | -                       | -              | -              | -   | -                  |
| <i>Guarantee</i>                                                                                                                             | -                       | -              | -              | -   | -                  |
| <i>Pledge</i>                                                                                                                                | -                       | -              | -              | -   | -                  |
| <i>Mortgage</i>                                                                                                                              | -                       | -              | -              | -   | -                  |
| 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                                                                              | -                       | -              | -              | -   | -                  |
| <b>Total</b>                                                                                                                                 | <b>348.109</b>          | <b>339.258</b> | <b>250.870</b> | -   | -                  |

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

| December 31, 2023                                                                                                                            |                         |                |                |          |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------|----------------|----------|--------------------|
|                                                                                                                                              | Total TRY<br>equivalent | TRY            | US Dollars     | EUR      | Moroccan<br>Dirham |
| A. Total amount of guarantees, pledges and mortgages given in the name of                                                                    | 277.571                 | 266.909        | 250.870        | -        | -                  |
| <i>Guarantee</i>                                                                                                                             | 277.571                 | 266.909        | 250.870        | -        | -                  |
| <i>Pledge</i>                                                                                                                                |                         |                |                | -        | -                  |
| <i>Mortgage</i>                                                                                                                              |                         |                |                |          |                    |
| B. Total amount of guarantees, pledges and mortgages provided on behalf of the parties which are included in the scope of full consolidation | -                       | -              | -              | -        | -                  |
| <i>Guarantee</i>                                                                                                                             | -                       | -              | -              | -        | -                  |
| <i>Pledge</i>                                                                                                                                | -                       | -              | -              | -        | -                  |
| <i>Mortgage</i>                                                                                                                              | -                       | -              | -              | -        | -                  |
| 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                                                                              | -                       | -              | -              | -        | -                  |
| <b>Total</b>                                                                                                                                 | <b>277.571</b>          | <b>266.909</b> | <b>250.870</b> | <b>-</b> | <b>-</b>           |

**Insurance coverage on assets**

As of December 31, 2024, and 2023 insurance coverage on assets of the Group is TRY 88.860.789 and TRY 40.150.543 respectively.

**14. Prepaid Expenses and Deferred Income**

**a) Short term prepaid expenses**

|                                                       | December 31,<br>2024 | December 31,<br>2023 |
|-------------------------------------------------------|----------------------|----------------------|
| Order advances given to third parties for inventories | 2.523.620            | 2.458.151            |
| Prepaid service expenses                              | 495.194              | 540.160              |
| Other                                                 | 27.370               | 29.309               |
|                                                       | <b>3.046.184</b>     | <b>3.027.620</b>     |

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

**b) Long term prepaid expenses**

|                                                  | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------------------|----------------------|----------------------|
| Advances given for property, plant and equipment | 1.630.056            | 2.081.454            |
| Other                                            | 109.512              | 52.376               |
|                                                  | <b>1.739.568</b>     | <b>2.133.830</b>     |

**c) Deferred Income**

|                   | December 31,<br>2024 | December 31,<br>2023 |
|-------------------|----------------------|----------------------|
| Gift cards income | 712.458              | 500.473              |
| Other             | 90.284               | 1.086                |
|                   | <b>802.742</b>       | <b>501.559</b>       |

**15. Employee termination benefits**

|                                             | December 31,<br>2024 | December 31,<br>2023 |
|---------------------------------------------|----------------------|----------------------|
| Provision for employee termination benefits | 1.671.805            | 1.731.236            |
|                                             | <b>1.671.805</b>     | <b>1.731.236</b>     |

The amount payable consists of one month's salary limited to a maximum of full TRY 41.828,42 for each period of service as of December 31, 2024 (December 31, 2023: full TRY 23.489,83). The retirement pay provision ceiling is revised semiannually, and full TRY 41.828,42 which is effective from December 31, 2024, is taken into consideration in the calculation of provision for employment termination benefits (effective from December 31, 2023: full TRY 23.489,83). 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 gain / (loss) is accounted in the statement of comprehensive income under "Defined benefits plans revaluations fund gain / (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, 2024, and December 31, 2023, 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 4,15% by assuming an annual inflation rate of 23% (December 31, 2023: 21%) and a discount rate of 27,15 % (December 31, 2023: 25,05 %). The anticipated rate of termination benefits not paid as a result of voluntary leaves is also taken into consideration.

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**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-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|---------------------------------------------------------|---------------------------------|---------------------------------|
| Current service cost (Note 20)                          | 398.009                         | 622.177                         |
| Interest cost of employee termination benefit (Note 23) | 304.280                         | 239.176                         |
| <b>Total</b>                                            | <b>702.289</b>                  | <b>861.353</b>                  |

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

|                                                       | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the period -January 1     | 1.731.236                       | 2.367.897                       |
| Current service cost                                  | 398.009                         | 622.177                         |
| Interest cost of employee termination benefit         | 304.280                         | 239.176                         |
| Payments made in the current period                   | (839.128)                       | (1.522.441)                     |
| Current actuarial gain / (loss)                       | 666.424                         | 1.101.095                       |
| Monetary gain / (loss)                                | (589.016)                       | (1.076.668)                     |
| <b>Balance at the end of the period - December 31</b> | <b>1.671.805</b>                | <b>1.731.236</b>                |

**16. Other assets and liabilities**

**a) Other current assets**

|                | December 31,<br>2024 | December 31,<br>2023 |
|----------------|----------------------|----------------------|
| VAT receivable | 1.194.473            | 2.450.889            |
| Other          | 10.366               | 36.655               |
|                | <b>1.204.839</b>     | <b>2.487.544</b>     |

**b) Other current liabilities**

|                          | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------|----------------------|----------------------|
| Taxes and funds payables | 1.512.302            | 1.243.573            |
| Other                    | 60.072               | 1.238                |
|                          | <b>1.572.374</b>     | <b>1.244.811</b>     |

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**17. Equity**

**a) Share capital and capital reserves**

As of December 31, 2024, and 2023 the breakdown of shareholders and their ownership percentages in the Company are summarized as follows.

|                                            | <b>December 31, 2024</b>   |               | <b>December 31, 2023</b>   |               |
|--------------------------------------------|----------------------------|---------------|----------------------------|---------------|
|                                            | <b>Historical<br/>cost</b> | <b>(%)</b>    | <b>Historical<br/>cost</b> | <b>(%)</b>    |
| 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         | 70.000                     | 11,53         |
| Other                                      | 9.240                      | 1,52          | 14.312                     | 2,36          |
| Publicly traded                            | 435.960                    | 71,80         | 430.888                    | 70,96         |
|                                            | <b>607.200</b>             | <b>100,00</b> | <b>607.200</b>             | <b>100,00</b> |
| <b>Capital Adjustment Differences</b>      | <b>5.789.666</b>           |               | <b>5.789.666</b>           |               |

The Company's share capital is fully paid and consists of 607.200.000 (December 31, 2023: 607.200.000) shares of full TRY 1 nominal value each.

**Property, plant and equipment revaluation fund**

As of December 31, 2024 the Group has revaluation fund amounting TRY 25.220.630 (December 31, 2023: TRY 16.395.969) related to revaluation of land and buildings. The revaluation fund is not available for distribution to shareholders.

|                                                                                      | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Other comprehensive income/(expense) not to be reclassified to profit or loss</b> |                              |                              |
| Gain/(loss) on revaluation of property, plant and equipment                          | <b>10.861.121</b>            | (345.436)                    |
| Gain/(loss) on defined benefit pension plan revaluation                              | <b>(666.424)</b>             | (1.002.809)                  |
| Gain/(loss) on revaluation of property, plant and equipment, tax effect              | <b>(2.036.460)</b>           | 21.590                       |
| Gain/(loss) on defined benefit pension plan revaluation, tax effect                  | <b>166.606</b>               | 250.702                      |
| <b>Total</b>                                                                         | <b>8.324.843</b>             | <b>(1.075.953)</b>           |

|                                                                                  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Other comprehensive income/(expense) to be reclassified to profit or loss</b> |                              |                              |
| Fair value increases in available-for-sale financial assets                      | <b>(926.455)</b>             | 1.394.188                    |
| Fair value increases in available-for-sale financial assets, tax effect          | <b>115.807</b>               | (520.492)                    |
| Foreign currency exchange difference                                             | <b>(116.855)</b>             | (398.298)                    |
| <b>Total</b>                                                                     | <b>(927.503)</b>             | <b>475.398</b>               |

**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.

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**17. Equity (cont'd)**

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.

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. The Company's dividend distribution policy is in accordance with the Capital Markets Law No. 6362 dated December 30, 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, 2024 and 2023 the legal reserves, retained earnings, and net profits for the period are as follows:

|                           | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|---------------------------|------------------------------|----------------------|
| Legal reserves            | <b>15.039.561</b>            | 15.442.278           |
| Extraordinary reserves    | <b>18.331.532</b>            | 16.397.624           |
| Net profit for the period | <b>12.717.786</b>            | 16.042.319           |
|                           | <b>46.088.879</b>            | 47.882.221           |

As of December 31, 2024, net profit for the Company's statutory books is TRY 12.717.786 (December 31, 2023: TRY 16.042.319) and net profit per consolidated financial statements in accordance with CMB accounting standards is TRY 18.612.946 (December 31, 2023: TRY 22.299.719). Equity holders of the parent company of profit is TRY 18.586.744 (December 31, 2023: TRY 22.293.141)

**c) Treasury Shares**

As of December 31, 2024, 12.200.000 shares repurchased for a total of TRY 4.334.993.000 (full TRY) together with the purchases made in the previous periods, in the Company's capital is 2,0092%. 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) Dividends Paid**

At the Ordinary General Assembly meeting dated June 27, 2024, it was decided to distribute 7.222.862.000 (TRY full) cash dividends from the profits of 2023 to the shareholders and to make the payment in 3 installments on July 17, 2024, October 2, 2024 and December 18, 2024. The gross dividend amount per share is 10 (TRY full). A total of 118.064.000 (TRY full) of the dividend amount consists of the dividend payment corresponding to the Group's own shares. In addition, Bim Maroc S.A., one of the Group companies, distributed a dividend of 73.204.000 (TRY full) to its non-group shareholders on June 24, 2024, from its 2023 profit.

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**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, 2024, the relevant amount in the "Non-controlling interests" account in the consolidated statement of financial position is TRY 898.587. 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, 2024, the amount of profit attributable to minority interests in the consolidated statement of comprehensive loss is TRY 26.202.

**18. Sales and cost of sales**

**a) Net Sales**

The Group's net sales for the periods ended December 31, 2024, and 2023 are as follows:

|                   | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|-------------------|---------------------------------------------|---------------------------------------------|
| Sales             | <b>522.273.949</b>                          | 476.646.321                                 |
| Sales returns (-) | <b>(2.707.316)</b>                          | (2.445.906)                                 |
|                   | <b>519.566.633</b>                          | 474.200.415                                 |

**b) Cost of sales**

|                                        | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|----------------------------------------|---------------------------------------------|---------------------------------------------|
| Beginning inventory                    | <b>39.211.959</b>                           | 35.027.156                                  |
| Purchases                              | <b>425.833.524</b>                          | 403.658.321                                 |
| Depreciation and amortization expenses | <b>579.361</b>                              | 108.114                                     |
| Ending inventory (-)                   | <b>(36.875.346)</b>                         | (39.211.959)                                |
|                                        | <b>428.749.498</b>                          | 399.581.632                                 |

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**19. Operational expenses**

**a) Marketing expenses**

|                                               | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|-----------------------------------------------|---------------------------------------------|---------------------------------------------|
| Personnel expenses                            | <b>46.703.202</b>                           | 34.470.305                                  |
| Depreciation and amortization expense         | <b>15.034.640</b>                           | 13.552.086                                  |
| Electricity, water and communication expenses | <b>3.887.780</b>                            | 4.418.686                                   |
| Maintenance and repair expenses               | <b>1.646.609</b>                            | 1.348.713                                   |
| Truck fuel expense                            | <b>1.242.724</b>                            | 1.148.230                                   |
| Advertising expense                           | <b>1.104.549</b>                            | 1.237.512                                   |
| Transportation Expenses                       | <b>784.136</b>                              | 554.976                                     |
| Rent expenses                                 | <b>663.629</b>                              | 351.123                                     |
| Packaging expenses                            | <b>551.433</b>                              | 516.327                                     |
| Tax and duty expenses                         | <b>465.454</b>                              | 322.688                                     |
| Severance pay expenses                        | <b>354.126</b>                              | 547.871                                     |
| Stationery expense                            | <b>339.470</b>                              | 437.722                                     |
| Furniture and fixture expenses                | <b>285.464</b>                              | 207.345                                     |
| Insurance expenses                            | <b>263.091</b>                              | 202.897                                     |
| IT Expenses                                   | <b>241.383</b>                              | 298.184                                     |
| Cleaning expenses                             | <b>165.287</b>                              | 139.223                                     |
| Other                                         | <b>1.275.298</b>                            | 1.194.379                                   |
|                                               | <b>75.008.275</b>                           | 60.948.267                                  |

**b) General and administrative expenses**

|                                               | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|-----------------------------------------------|---------------------------------------------|---------------------------------------------|
| Personnel expenses                            | <b>6.250.666</b>                            | 5.115.506                                   |
| Depreciation and amortization                 | <b>1.598.575</b>                            | 1.344.132                                   |
| Tax and duty expense                          | <b>872.777</b>                              | 869.209                                     |
| Vehicle expenses                              | <b>267.367</b>                              | 236.023                                     |
| Legal and consultancy expenses                | <b>250.742</b>                              | 286.580                                     |
| Money collection expenses                     | <b>215.337</b>                              | 187.691                                     |
| Electricity, water and communication expenses | <b>50.147</b>                               | 63.121                                      |
| Severance pay expenses                        | <b>43.883</b>                               | 74.306                                      |
| Office supplies expenses                      | <b>21.247</b>                               | 27.142                                      |
| Other                                         | <b>892.806</b>                              | 617.417                                     |
|                                               | <b>10.463.547</b>                           | 8.821.127                                   |

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**20. Expenses by nature**

**a) Depreciation and amortization expenses**

|                                     | January 1-<br>December 31,<br>2024 | January 1-<br>December 31,<br>2023 |
|-------------------------------------|------------------------------------|------------------------------------|
| Marketing and selling expenses      | 15.034.640                         | 13.552.086                         |
| General and administrative expenses | 1.598.575                          | 1.344.132                          |
| Cost of sales                       | 579.361                            | 108.114                            |
|                                     | 17.212.576                         | 15.004.332                         |

**b) Personnel expenses**

|                                                | January 1-<br>December 31,<br>2024 | January 1-<br>December 31,<br>2023 |
|------------------------------------------------|------------------------------------|------------------------------------|
| Wages and salaries                             | 47.110.047                         | 35.904.635                         |
| Social security premiums employer contribution | 5.843.821                          | 3.681.176                          |
| Provision for employee termination (Note 15)   | 398.009                            | 622.177                            |
|                                                | 53.351.877                         | 40.207.988                         |

**21. Other operating income and expense**

**a) Other operating income**

|                                                | January 1-<br>December 31,<br>2024 | January 1-<br>December 31,<br>2023 |
|------------------------------------------------|------------------------------------|------------------------------------|
| Gain on sale of scraps                         | 242.898                            | 243.118                            |
| Energy sales income                            | 231.155                            | 30.936                             |
| Personnel incentive income                     | -                                  | 668.186                            |
| Income from fines and compensation             | -                                  | 542.290                            |
| Contract termination income (IFRS-16) (Note 6) | -                                  | 19.982                             |
| Other income from operations                   | 597.119                            | 671.367                            |
|                                                | 1.071.172                          | 2.175.879                          |

**b) Other operating expense**

|                                                  | January 1-<br>December 31,<br>2024 | January 1-<br>December 31,<br>2023 |
|--------------------------------------------------|------------------------------------|------------------------------------|
| Contract termination expenses (IFRS-16) (Note 6) | 556.382                            | 526.360                            |
| Donation and aid expenses                        | 288.109                            | 301.326                            |
| Provision expenses                               | 108.223                            | 345.367                            |
| Other operating expenses                         | 162.044                            | 134.701                            |
|                                                  | 1.114.758                          | 1.307.754                          |

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**22. Financial income**

|                              | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|------------------------------|---------------------------------------------|---------------------------------------------|
| Foreign exchange gains       | <b>99.354</b>                               | 357.818                                     |
| Participation account income | <b>6.442</b>                                | 212.431                                     |
|                              | <b>105.796</b>                              | 570.249                                     |

**23. Financial expenses**

|                                                                       | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|-----------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Financial expenses arising from<br>lease liabilities (Note 6)         | <b>4.491.040</b>                            | 3.438.887                                   |
| Interest cost related to provision for employee termination (Note 15) | <b>304.280</b>                              | 239.176                                     |
| Foreign exchange losses                                               | <b>255.489</b>                              | 229.601                                     |
| Other financial expenses                                              | <b>152.210</b>                              | 101.993                                     |
|                                                                       | <b>5.203.019</b>                            | 4.009.657                                   |

**24. Income and expense from investing activities**

**a) Income from investing activities**

|                                            | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
|--------------------------------------------|---------------------------------------------|---------------------------------------------|
| Income from financial investments (*)      | <b>3.850.214</b>                            | 1.668.570                                   |
| Valuation gain from subsidiary acquisition | <b>345.107</b>                              | -                                           |
| Other                                      | -                                           | 3.078                                       |
|                                            | <b>4.195.321</b>                            | 1.671.648                                   |

(\*) The balance consists of income from various investment funds and rent certificates.

**b) Expenses from investment activities**

As of December 31, 2024, the loss on fixed asset sales is 88.270 TRY (As of December 31, 2023 the loss on fixed asset sales is 446.792 TRY)

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**25. Tax assets and liabilities**

As of December 31, 2024, and 2023 provision for taxes of the Group is as follows:

|                                                     | December 31,<br>2024 | December 31,<br>2023 |
|-----------------------------------------------------|----------------------|----------------------|
| Provision for corporate and income tax              | 4.852.910            | 6.044.406            |
| Current tax assets (Prepaid taxes)                  | (3.552.650)          | (4.022.891)          |
| <b>Corporate tax payable</b>                        | <b>1.300.260</b>     | <b>2.021.515</b>     |
|                                                     | December 31,<br>2024 | December 31,<br>2023 |
| Current period corporate and income tax provision   | 4.852.910            | 6.044.406            |
| Adjustments related to prior period tax expense (-) | 2.150                | (93.442)             |
| <b>Provision for corporate and income tax</b>       | <b>4.855.060</b>     | <b>5.950.964</b>     |

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.

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, 2024 the corporate tax rate is 31% (December 31, 2023: 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 %0,25 is paid on sales. In Egypt, as of December 31, 2024 the corporate tax rate is 22.5% (December 31, 2023: 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.

As of December 31, 2024, and 2023 temporary differences based for deferred tax and deferred tax asset and liability calculated by using applicable tax rates are as follows:

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**25. Tax assets and liabilities (Cont'd)**

|                                                     | <b>Balance sheet</b>         |                              | <b>Comprehensive income</b>                 |                                             |
|-----------------------------------------------------|------------------------------|------------------------------|---------------------------------------------|---------------------------------------------|
|                                                     | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> | <b>January 1-<br/>December 31,<br/>2024</b> | <b>January 1-<br/>December 31,<br/>2023</b> |
| <i>Deferred tax liability</i>                       |                              |                              |                                             |                                             |
| Right-of-use asset                                  | <b>15.173.409</b>            | 17.047.831                   | <b>(1.874.422)</b>                          | 6.979.754                                   |
| The effect of the revaluation of land and buildings | <b>9.118.449</b>             | 4.817.017                    | <b>4.301.432</b>                            | (3.099.403)                                 |
| The effect of the revaluation of financial asset    | <b>800.378</b>               | 308.153                      | <b>492.225</b>                              | 76.485                                      |
| Other adjustments                                   | <b>286.847</b>               | 91.926                       | <b>194.921</b>                              | (318.608)                                   |
| <i>Deferred tax asset</i>                           |                              |                              |                                             |                                             |
| Lease liabilities                                   | <b>(8.414.711)</b>           | (7.204.469)                  | <b>(1.210.242)</b>                          | (2.198.471)                                 |
| Tangible and intangible assets                      | <b>(3.634.552)</b>           | (5.948.115)                  | <b>2.313.563</b>                            | 2.329.553                                   |
| Provision for employee termination benefit          | <b>(438.090)</b>             | (479.043)                    | <b>40.953</b>                               | (5.464)                                     |
| Other adjustments                                   | <b>(882.902)</b>             | (881.412)                    | <b>(1.490)</b>                              | (356.786)                                   |
| Currency exchange difference                        | -                            | -                            | <b>(13.839)</b>                             | 7.357                                       |
| <b>Deferred tax</b>                                 | <b>12.008.828</b>            | 7.751.888                    | <b>4.243.101</b>                            | 3.414.417                                   |

Deferred tax is presented in financial statements as follows:

|                               | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-------------------------------|------------------------------|------------------------------|
| Deferred tax assets           | <b>126.696</b>               | 100.563                      |
| Deferred tax liabilities      | <b>(12.135.524)</b>          | (7.852.451)                  |
| <b>Net deferred tax asset</b> | <b>(12.008.828)</b>          | (7.751.888)                  |

Movement of net deferred tax liability for the periods ended December 31, 2024 and 2023 are as follows:

|                                                                 | <b>January 1-<br/>December 31, 2024</b> | <b>January 1-<br/>December 31, 2023</b> |
|-----------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Balance at the beginning of the period - January 1              | <b>(7.751.888)</b>                      | (4.344.828)                             |
| Deferred tax expense recognized in statement of profit or loss, | <b>(2.465.556)</b>                      | (3.577.058)                             |
| Deferred tax expense recognized in other comprehensive income   | <b>(1.754.047)</b>                      | (248.200)                               |
| - Property, plant and equipment revaluation fund (Note 10)      | <b>(2.036.460)</b>                      | 21.590                                  |
| - Fair value increases in available-for-sale financial assets   | <b>115.807</b>                          | (520.492)                               |
| - Defined benefit plans revaluation fund gain /(loss)           | <b>166.606</b>                          | 250.702                                 |
| Foreign currency exchange differences                           | <b>(37.337)</b>                         | 418.198                                 |
| <b>Balance at the end of the period – December 31</b>           | <b>(12.008.828)</b>                     | (7.751.888)                             |

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**25. Tax assets and liabilities (Cont'd)**

**Tax reconciliation**

|                                                                                             | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|---------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Profit before tax                                                                           | 25.933.562                      | 31.827.741                      |
| Corporate tax provision calculated at effective tax rate of 25%<br>(December 31, 2023: 25%) | (6.483.391)                     | (7.956.935)                     |
| Deductions and exemptions                                                                   | (43.153)                        | 278.510                         |
| Fiscal year losses which is no deferred tax not created (*)                                 | -                               | (50.228)                        |
| Effect of tax rate differences of the consolidated subsidiary                               | 24.181                          | (41.239)                        |
| Adjustments to prior period tax expense (-)                                                 | 2.150                           | (93.442)                        |
| Tax rate change effect                                                                      | -                               | 1.157.127                       |
| Revaluation effect                                                                          | (75.082)                        | -                               |
| Monetary gain / (loss)                                                                      | (2.193.417)                     | (3.183.227)                     |
| Other                                                                                       | 1.448.096                       | 361.412                         |
|                                                                                             | <b>(7.320.616)</b>              | <b>(9.528.022)</b>              |

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

|                            | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|----------------------------|---------------------------------|---------------------------------|
| <b>Tax expense</b>         |                                 |                                 |
| Current period tax expense | (4.855.060)                     | (5.950.964)                     |
| Deferred tax expense       | (2.465.556)                     | (3.577.058)                     |
| <b>Total tax expense</b>   | <b>(7.320.616)</b>              | <b>(9.528.022)</b>              |

**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, 2024 and 2023 is as follows. All shares of the Company are in same status.

|                                                                        | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Earnings per share</b>                                              |                                 |                                 |
| Average number of shares at the beginning of the period (Thousand) (*) | 596.774                         | 597.107                         |
| Net profit of the year                                                 | 18.586.744                      | 22.293.141                      |
|                                                                        | <b>31,15</b>                    | <b>37,34</b>                    |

(\*) 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.

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**27. Non – controlling interests**

Details of non-controlling interests as of December 31, 2024 and 2023 are as follows:

|                                        | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|----------------------------------------|------------------------------|------------------------------|
| Share of non – controlling interests   | 35%                          | 35%                          |
| Total assets                           | <b>10.354.701</b>            | 10.104.934                   |
| Total liabilities                      | <b>(9.587.139)</b>           | (8.952.841)                  |
| <b>Net assets</b>                      | <b>767.562</b>               | 1.152.093                    |
| Foreign currency conversion difference | <b>629.940</b>               | 505.995                      |
| <b>Non – controlling interests</b>     | <b>898.587</b>               | 909.228                      |

As of December 31, 2024 and 2023, the breakdown of total comprehensive income/expense for non-controlling interests is as follows:

|                                                                  | <b>January 1-<br/>December 31, 2024</b> | <b>January 1-<br/>December 31, 2023</b> |
|------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Revenue                                                          | <b>19.249.340</b>                       | 16.664.034                              |
| Gross profit                                                     | <b>3.581.391</b>                        | 2.814.210                               |
| Operating profit                                                 | <b>389.730</b>                          | 248.129                                 |
| Net income for the period                                        | <b>74.862</b>                           | 18.793                                  |
| <b>Net profit for the period of non-controlling interests</b>    | <b>26.202</b>                           | 6.578                                   |
| <b>Other comprehensive income from non-controlling interests</b> | <b>36.361</b>                           | 178.299                                 |
| <b>Total comprehensive income of non-controlling interests</b>   | <b>62.563</b>                           | 184.877                                 |

**28. Related party disclosures**

**a) Payables related to goods and services received**

Due to related parties balances as of December 31, 2024 and 2023 are as follows:

**Payables related to goods and services received:**

**Related parties**

|                                                                                     | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|-------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) <sup>(1)</sup> (*)                     | <b>1.653.249</b>             | 1.588.464                    |
| Gönenli Süt Gıda Sanayi Tic. A.Ş. (Gönenli) <sup>(1)</sup> (*) (**)                 | <b>782.601</b>               | -                            |
| Aktül Kağıt Üretim Pazarlama Anonim Şirketi <sup>(1)</sup> (*)                      | <b>580.761</b>               | 662.084                      |
| Sena Muhtelif Ürün Paketleme Gıda Sanayi ve Tic. Ltd. Şti.(Sena) <sup>(2)</sup> (*) | <b>566.206</b>               | 531.538                      |
| Reka Bitkisel Yağlar Sanayi ve Ticaret A.Ş. (Reka) <sup>(1)</sup> (*)               | <b>431.985</b>               | 179.115                      |
| Hedef Tüketim Ürünleri San. ve Dış Tic. A.Ş. (Hedef) <sup>(1)</sup>                 | <b>412.772</b>               | 454.656                      |
| Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş. (Turkuvaz) <sup>(1)</sup>                  | <b>283.041</b>               | 418.013                      |
| Apak Pazarlama ve Gıda Sanayi Tic. Ltd. Şti. (Apak) <sup>(1)</sup>                  | <b>220.064</b>               | 215.139                      |
| Ahenk Helva Şekerleme İm. İth. İhr. San. ve Tic. A.Ş. (Ahenk) <sup>(1)</sup>        | <b>107.709</b>               | 173.382                      |
| Avansas Ofis Malzemeleri Ticaret A.Ş. (Avansas) <sup>(1)</sup>                      | <b>38.433</b>                | 6.846                        |
| MTB Kağıt ve Temizlik Ürünleri San. Ve Tic. A.Ş. (MTB) <sup>(1)</sup>               | <b>30.300</b>                | 23.161                       |
|                                                                                     | <b>5.107.121</b>             | 4.252.398                    |

(\*) Trade payables to Başak Gıda are mainly from purchases of bread and other bakery products, trade payables to Gönenli are mainly from purchases of dairy products, trade payables to Aktül Kağıt are mainly from purchases of paper towels and other paper cleaning materials, trade payables from Sena mainly arise from purchases of instant coffee and cacao products and trade payable to Reka are mainly from purchases of sunflower and olive oils and

(\*\*) Gönenli Süt has become a related party as of April 1, 2024.

<sup>(1)</sup> Companies owned by shareholders of the Company.

<sup>(2)</sup> Other related company

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**28. Related party disclosures (Cont'd)**

**b) Related party transactions**

i) Purchases from related parties during the periods ended December 31, 2024 and 2023 are as follows:

**Related parties**

|                                  | January 1-<br>December 31,<br>2024 | January 1-<br>December 31,<br>2023 |
|----------------------------------|------------------------------------|------------------------------------|
| Başak <sup>(1)</sup>             | 12.832.847                         | 9.456.459                          |
| Reka <sup>(1)</sup>              | 8.119.369                          | 6.784.936                          |
| Gönenli <sup>(1)(*)</sup>        | 7.899.838                          | -                                  |
| Hedef <sup>(1)</sup>             | 6.998.126                          | 4.278.648                          |
| Turkuvaz <sup>(1)</sup>          | 3.877.944                          | 3.369.904                          |
| Apak <sup>(1)</sup>              | 3.143.312                          | 2.393.595                          |
| Aktül <sup>(1)</sup>             | 2.994.412                          | 2.887.562                          |
| Sena <sup>(2)</sup>              | 2.661.233                          | 2.294.722                          |
| Ahenk <sup>(1)</sup>             | 623.896                            | 515.962                            |
| Avansas <sup>(1)</sup>           | 305.846                            | 54.281                             |
| MTB Kağıt <sup>(1)</sup>         | 161.488                            | 102.507                            |
| Bahariye Mensucat <sup>(1)</sup> | -                                  | 92                                 |
|                                  | <b>49.618.311</b>                  | <b>32.138.668</b>                  |

<sup>(1)</sup> Companies owned by shareholders of the Company.

<sup>(2)</sup> Other related company

(\*) Purchases between April 1 – December 31, 2024.

ii) For the periods ended December 31, 2024 and 2023 salaries, bonuses and compensations provided to board of directors and key management comprising of 238 and 210 personnel, respectively, are as follows:

|                                  | January 1-<br>December 31, 2024 | January 1-<br>December 31, 2023 |
|----------------------------------|---------------------------------|---------------------------------|
| Short-term benefits to employees | 1.530.972                       | 1.024.840                       |
| <b>Total benefits</b>            | <b>1.530.972</b>                | <b>1.024.840</b>                |

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**29. Net monetary position gains/(losses)**

Explanations on net monetary position gains/(losses)

|                                                                                              | 31 Aralık 2024    |
|----------------------------------------------------------------------------------------------|-------------------|
| <b>Non-Monetary Items</b>                                                                    |                   |
| <b>Financial statement items</b>                                                             | <b>(142.966)</b>  |
| Inventories                                                                                  | (314.414)         |
| Prepaid expenses                                                                             | (90.518)          |
| Other Receivables (LT)                                                                       | 39.176            |
| Financial Investments (LT)                                                                   | 1.958.695         |
| Tangible fixed assets                                                                        | 1.677.145         |
| Intangible assets                                                                            | (3.884.167)       |
| Right-of-use assets                                                                          | 12.921.571        |
| Prepaid expenses (LT)                                                                        | (234.654)         |
| Deferred tax assets                                                                          | (2.407.878)       |
| Deferred tax liabilities                                                                     | 20.140            |
| Paid-in capital                                                                              | (1.966.252)       |
| Treasury Shares (-)                                                                          | 1.039.086         |
| Accumulated other comprehensive income and expenses not to be reclassified to profit /(loss) | 15.056.263        |
| Accumulated other comprehensive income/(expenses) to be reclassified to profit / (loss)      | 292.376           |
| Restricted reserves from profits                                                             | (3.618.824)       |
| Retained earnings                                                                            | (20.630.711)      |
| <b>Income Statement Items</b>                                                                | <b>21.764.973</b> |
| Revenue                                                                                      | (59.844.827)      |
| Cost of sales (-)                                                                            | 63.805.222        |
| General administrative expenses (-)                                                          | 1.894.341         |
| Marketing expenses (-)                                                                       | 14.621.006        |
| Other income from operating activities                                                       | (105.776)         |
| Other expenses from operating activities                                                     | 776.806           |
| Income from investing activities                                                             | (400.790)         |
| Expenses from investing activities                                                           | (140.702)         |
| Finance income                                                                               | (11.568)          |
| Finance expenses (-)                                                                         | 550.373           |
| Income tax expense                                                                           | 620.888           |
| <b>Net monetary position gains</b>                                                           | <b>21.622.007</b> |

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**30. 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 affected from forthcoming profit share ratios.

**Profit share rate position table**

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

| <b>Profit share position table</b> |                                                     | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|------------------------------------|-----------------------------------------------------|------------------------------|------------------------------|
| Financial assets                   | Fixed profit share bearing financial instruments    | <b>5.424.545</b>             | 4.882.233                    |
|                                    | Participation account                               | -                            | -                            |
|                                    | Lease certificate & Investment fund                 | <b>5.424.545</b>             | 4.882.233                    |
| Financial liabilities              |                                                     |                              |                              |
| Financial assets                   | Variable profit share bearing financial instruments | -                            | -                            |

**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.

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

**Credit risk table (Current period – December 31, 2024)**

|                                                                                                                            | Credit card<br>receivables |                | Other receivables |                | Deposit<br>in bank |                | Financial<br>assets |                |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------|-------------------|----------------|--------------------|----------------|---------------------|----------------|
| December 31, 2024                                                                                                          | Related<br>party           | Other<br>party | Related<br>party  | Other<br>party | Related<br>party   | Other<br>party | Related<br>party    | Other<br>party |
| Maximum credit risk exposures as<br>of report date (A+B+C+D+E)                                                             | -                          | 23.731.480     | 2.501             | 931.065        | -                  | 1.004.567      | 5.445.825           | 5.424.545      |
| - Maximum risk secured by<br>guarantees etc.                                                                               | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| A. Net book value of financial<br>assets neither overdue nor<br>impaired                                                   | -                          | 23.731.480     | 2.501             | 931.065        | -                  | 1.004.567      | 5.445.825           | 5.424.545      |
| B. Net book value of financial<br>assets that are renegotiated, if<br>not that will be accepted as past<br>due or impaired | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| C. Carrying value of financial assets<br>that are past due but not<br>impaired                                             | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| - The part under guarantee<br>with collateral etc.                                                                         | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| D. Net book value of impaired<br>assets                                                                                    | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| - Past due (gross carrying<br>amount)                                                                                      | -                          | -              | -                 | 11.784         | -                  | -              | -                   | -              |
| - Impairment                                                                                                               | -                          | -              | -                 | (11.784)       | -                  | -              | -                   | -              |
| - The part of net value under<br>guarantee with collateral etc.                                                            | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| - Not past due (gross carrying<br>amount)                                                                                  | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| - Impairment                                                                                                               | -                          | -              | -                 | -              | -                  | -              | -                   | -              |
| E. Off-balance sheet items with<br>credit risk                                                                             | -                          | -              | -                 | -              | -                  | -              | -                   | -              |

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

**Credit risk table (Previous period - December 31, 2023)**

|                                                                                                                            | Credit card<br>receivables |                | Other receivables |                | Deposit<br>in bank |                | Financial assets |                |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------|-------------------|----------------|--------------------|----------------|------------------|----------------|
|                                                                                                                            | Related<br>party           | Other<br>party | Related<br>party  | Other<br>party | Related<br>party   | Other<br>party | Related<br>party | Other<br>party |
| December 31, 2023                                                                                                          |                            |                |                   |                |                    |                |                  |                |
| Maximum credit risk exposures as<br>of report date (A+B+C+D+E)                                                             | -                          | 23.281.120     | 1.477             | 482.505        | -                  | 2.100.251      | 6.372.280        | 4.882.233      |
| - Maximum risk secured by<br>guarantees etc.                                                                               | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| A. Net book value of financial<br>assets neither overdue nor<br>impaired                                                   | -                          | 23.281.120     | 1.477             | 482.505        | -                  | 2.100.251      | 6.372.280        | 4.882.233      |
| B. Net book value of financial<br>assets that are renegotiated, if<br>not that will be accepted as past<br>due or impaired | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| C. Carrying value of financial<br>assets that are past due but not<br>impaired                                             | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| - The part under guarantee<br>with collateral etc.                                                                         | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| D. Net book value of impaired<br>assets                                                                                    | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| - Past due (gross carrying<br>amount)                                                                                      | -                          | -              | -                 | 16.898         | -                  | -              | -                | -              |
| - Impairment                                                                                                               | -                          | -              | -                 | (16.898)       | -                  | -              | -                | -              |
| - The part of net value under<br>guarantee with collateral<br>etc.                                                         | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| - Not past due (gross carrying<br>amount)                                                                                  | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| - Impairment                                                                                                               | -                          | -              | -                 | -              | -                  | -              | -                | -              |
| E. Off-balance sheet items with<br>credit risk                                                                             | -                          | -              | -                 | -              | -                  | -              | -                | -              |

(Convenience translation of the consolidated financial statements originally issued in Turkish)  
**BİM Birleşik Mağazalar A.Ş.**

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**30. 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, 2024, and 2023 the Group's foreign currency position is as follows:

|                                                                                                                     | December 31, 2024 |                  |                    |          | December 31, 2023 |                  |                    |              |
|---------------------------------------------------------------------------------------------------------------------|-------------------|------------------|--------------------|----------|-------------------|------------------|--------------------|--------------|
|                                                                                                                     | TRY<br>Equivalent | Full US Dollars  | Full EUR           | Full GBP | TRY<br>Equivalent | Full US Dollars  | Full EUR           | Full GBP     |
| 1. Trade receivables                                                                                                | 85.988            | 2.313.564        | 118.822            | -        | 125.451           | 2.317.321        | 573.241            | -            |
| 2a. Monetary financial assets (including cash, banks accounts)                                                      | 37.853            | 949.458          | 118.571            | -        | 201.492           | 3.866.507        | 781.465            | 7.466        |
| 2b. Non-monetary financial assets                                                                                   | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 3. Other                                                                                                            | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 4. Current assets (1+2+3)                                                                                           | 123.841           | 3.263.022        | 237.393            | -        | 326.943           | 6.183.828        | 1.354.706          | 7.466        |
| 5. Trade receivables                                                                                                | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 6a. Monetary financial assets                                                                                       | -                 | -                | -                  | -        | -                 | -                | -                  | 2            |
| 6b. Non-monetary financial assets                                                                                   | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 7. Other                                                                                                            | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 8. Current assets (5+6+7)                                                                                           | -                 | -                | -                  | -        | -                 | -                | -                  | 2            |
| <b>9. Total assets (4+8)</b>                                                                                        | <b>123.841</b>    | <b>3.263.022</b> | <b>237.393</b>     | <b>-</b> | <b>326.943</b>    | <b>6.183.828</b> | <b>1.354.706</b>   | <b>7.468</b> |
| 10. Trade payables                                                                                                  | -                 | -                | -                  | -        | 23                | -                | 497                | -            |
| 11. Financial liabilities                                                                                           | 34.435            | -                | 937.372            | -        | 141.745           | -                | 3.013.942          | -            |
| 12a. Monetary other liabilities                                                                                     | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 12b. Non-monetary other liabilities                                                                                 | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 13. Current liabilities (10+11+12)                                                                                  | 34.435            | -                | 937.372            | -        | 141.768           | -                | 3.014.439          | -            |
| 14. Trade payables                                                                                                  | 9.504             | 151.751          | 112.951            | -        | -                 | -                | -                  | -            |
| 15. Financial liabilities                                                                                           | 117.974           | -                | 3.211.391          | -        | 101.554           | -                | 2.159.336          | -            |
| 16a. Monetary other liabilities                                                                                     | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 16b. Non-monetary other liabilities                                                                                 | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| <b>17. Non-current liabilities (14+15+16)</b>                                                                       | <b>127.478</b>    | <b>151.751</b>   | <b>3.324.342</b>   | <b>-</b> | <b>101.554</b>    | <b>-</b>         | <b>2.159.336</b>   | <b>-</b>     |
| <b>18. Total liabilities (13+17)</b>                                                                                | <b>161.913</b>    | <b>151.751</b>   | <b>4.261.714</b>   | <b>-</b> | <b>243.322</b>    | <b>-</b>         | <b>5.173.775</b>   | <b>-</b>     |
| 19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)                            | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 19a. Hedged total assets amount                                                                                     | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 19b. Hedged total liabilities amount                                                                                | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| <b>20. Net foreign currency asset/(liability) position (9-18+19)</b>                                                | <b>(38.072)</b>   | <b>3.111.271</b> | <b>(4.024.321)</b> | <b>-</b> | <b>83.621</b>     | <b>6.183.828</b> | <b>(3.819.069)</b> | <b>7.468</b> |
| 21. Net foreign currency asset/(liability) position of monetary items (IFRS 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a) | (38.072)          | 3.111.271        | (4.024.321)        | -        | 83.621            | 6.183.828        | (3.819.069)        | 7.468        |
| 22. Total fair value of financial instruments used for foreign currency hedging                                     | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 23. Export                                                                                                          | -                 | -                | -                  | -        | -                 | -                | -                  | -            |
| 24. Import                                                                                                          | -                 | -                | -                  | -        | -                 | -                | -                  | -            |

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**30. 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, 2024 and 2023.

**December 31, 2024**

| Exchange rate sensitivity analysis table        |                               |                               |                               |                               |
|-------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Current Period                                  |                               |                               |                               |                               |
|                                                 | Profit/(Loss)                 |                               | Equity                        |                               |
|                                                 | Foreign currency appreciation | Foreign currency depreciation | Foreign currency appreciation | Foreign currency Depreciation |
| <i>Change of US Dollars against TRY by 10%:</i> |                               |                               |                               |                               |
| 1- US Dollars net asset/(liability)             | 10.977                        | (10.977)                      | -                             | -                             |
| 2- Protected part from US Dollars risk(-)       | -                             | -                             | -                             | -                             |
| 3- US Dollars net effect (1+2)                  | 10.977                        | (10.977)                      | -                             | -                             |
| <i>Change of EUR against TRY by 10%:</i>        |                               |                               |                               |                               |
| 4- EUR net asset/(liability)                    | (14.784)                      | 14.784                        | -                             | -                             |
| 5- Protected part from EUR risk(-)              | -                             | -                             | -                             | -                             |
| 6- EUR net effect (4+5)                         | (14.784)                      | 14.784                        | -                             | -                             |
| <i>Change of GBP against TRY by 10%:</i>        |                               |                               |                               |                               |
| 7- GBP net asset/(liability)                    | -                             | -                             | -                             | -                             |
| 8- Protected part from GBP risk(-)              | -                             | -                             | -                             | -                             |
| 9- GBP net effect (7+8)                         | -                             | -                             | -                             | -                             |
| <b>Total (3+6+9)</b>                            | <b>(3.807)</b>                | <b>3.807</b>                  | <b>-</b>                      | <b>-</b>                      |

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**30. Financial instruments and financial risk management (Cont’d)**

December 31, 2023

| Exchange rate sensitivity<br>analysis table     |                                     |                                     |                                     |                                     |
|-------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Prior Period                                    |                                     |                                     |                                     |                                     |
|                                                 | Profit/(Loss)                       |                                     | Equity                              |                                     |
|                                                 | Foreign<br>currency<br>appreciation | Foreign<br>currency<br>depreciation | Foreign<br>currency<br>appreciation | Foreign<br>currency<br>Depreciation |
| <i>Change of US Dollars against TRY by 10%:</i> |                                     |                                     |                                     |                                     |
| 1- US Dollars net asset/(liability)             | 26.283                              | (26.283)                            | -                                   | -                                   |
| 2- Protected part from US Dollars risk(-)       | -                                   | -                                   | -                                   | -                                   |
| 3- US Dollars net effect (1+2)                  | 26.283                              | (26.283)                            | -                                   | -                                   |
| <i>Change of EUR against TRY by 10%:</i>        |                                     |                                     |                                     |                                     |
| 4- EUR net asset/(liability)                    | (17.961)                            | 17.961                              | -                                   | -                                   |
| 5- Protected part from EUR risk(-)              | -                                   | -                                   | -                                   | -                                   |
| 6- EUR net effect (4+5)                         | (17.961)                            | 17.961                              | -                                   | -                                   |
| <i>Change of GBP against TRY by 10%:</i>        |                                     |                                     |                                     |                                     |
| 7- GBP net asset/(liability)                    | 40                                  | (40)                                | -                                   | -                                   |
| 8- Protected part from GBP risk(-)              | -                                   | -                                   | -                                   | -                                   |
| 9- GBP net effect (7+8)                         | 40                                  | (40)                                | -                                   | -                                   |
| Total (3+6+9)                                   | 8.362                               | (8.362)                             | -                                   | -                                   |

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023**

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

As of December 31, 2024 and 2023 maturities of undiscounted trade payables and financial liabilities of the Group are as follows:

**December 31, 2024**

| Contractual terms                           | Carrying value | Total cash outflow | Less than 3 months | 3 -12 months | More than 1 year |
|---------------------------------------------|----------------|--------------------|--------------------|--------------|------------------|
| <b>Non-derivative financial liabilities</b> |                |                    |                    |              |                  |
| Trade payables                              | 55.505.750     | 58.612.600         | 58.612.600         | -            | -                |
| Due to related parties                      | 5.107.121      | 5.448.251          | 5.448.251          | -            | -                |
| Contractual lease liabilities               | 36.975.988     | 74.052.355         | 2.177.447          | 6.552.020    | 65.322.888       |

**December 31, 2023**

| Contractual terms                           | Carrying value | Total cash outflow | Less than 3 months | 3 -12 months | More than 1 year |
|---------------------------------------------|----------------|--------------------|--------------------|--------------|------------------|
| <b>Non-derivative financial liabilities</b> |                |                    |                    |              |                  |
| Trade payables                              | 60.926.707     | 62.610.455         | 62.610.455         | -            | -                |
| Due to related parties                      | 4.252.398      | 4.349.051          | 4.349.051          | -            | -                |
| Contractual lease liabilities               | 32.251.270     | 60.711.197         | 5.117.383          | 5.295.122    | 50.298.692       |

**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, 2024 and 2023 are as follows:

|                                                | December 31, 2024  | December 31, 2023  |
|------------------------------------------------|--------------------|--------------------|
| Total liabilities                              | 117.310.117        | 113.179.958        |
| Less: Cash and cash equivalents                | (2.815.106)        | (5.207.428)        |
| Net debt                                       | 114.495.011        | 107.972.530        |
| Total equity                                   | 117.640.111        | 99.783.031         |
| <b>Total equity + net debt</b>                 | <b>232.135.122</b> | <b>207.755.561</b> |
| <b>Net debt/ (Total equity + net debt) (%)</b> | <b>49</b>          | <b>52</b>          |

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**31. 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, 2024 and 2023. See Note 10 for disclosures of the land and buildings that are measured at fair value (Note 10).

| <b>December 31, 2024</b>                                                          | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|-----------------------------------------------------------------------------------|----------------|----------------|----------------|--------------|
| <b>Financial assets measured at fair value through other comprehensive income</b> |                |                |                |              |
| Financial Assets                                                                  | -              | 5.445.825      | -              | 5.445.825    |
| <b>Financial assets measured at fair value through other comprehensive income</b> |                |                |                |              |
| Lease certificates, investment fund                                               | -              | 5.424.545      | -              | 5.424.545    |
| <b>Total assets</b>                                                               | -              | 10.870.370     | -              | 10.870.370   |
| <b>December 31, 2023</b>                                                          | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Financial assets measured at fair value through other comprehensive income</b> |                |                |                |              |
| Financial Assets                                                                  | -              | 6.372.280      | -              | 6.372.280    |
| <b>Financial assets measured at fair value through other comprehensive income</b> |                |                |                |              |
| Lease certificates, investment funds                                              | -              | 4.882.233      | -              | 4.882.233    |
| <b>Total assets</b>                                                               | -              | 11.254.513     | -              | 11.254.513   |

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.

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**31. 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, 2024 and 2023 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.

**32. 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:

|                                                         | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|---------------------------------------------------------|------------------------------|----------------------|
| Legal and voluntary independent audit services (annual) | <b>4.500</b>                 | 2.459                |
|                                                         | <b>4.500</b>                 | 2.459                |

**33. Subsequent events**

As a result of the investigation carried out by the Competition Authority in January 2025; the Competition Authority has imposed an administrative fine of 1,295,902,606.94 full TRY on the Company pursuant to Article 16, paragraph 1(d) of Law No. 4054. If the administrative fine is applied with a 25% reduction in accordance with Article 17, paragraph 6 of Law No. 5326, the fine amount will be 971,926,955.21 full TRY. In accordance with Article 11 of the Administrative Procedure Law, the Company has submitted an objection petition to the Competition Authority on 3 March 2025 requesting the annulment of the said administrative fine.