

**(CONVENIENCE TRANSLATION OF FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

ARÇELİK ANONİM ŞİRKETİ

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

ARÇELİK ANONİM ŞİRKETİ

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(CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024, AND DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

		Unaudited	Audited
	Notes	September 30, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	5	34,309,593	66,288,678
Trade receivables			
-Due from related parties	28	802,970	782,083
-Trade receivables, third parties	9	106,331,297	89,592,721
Other receivables			
-Other receivables, third parties		593,478	444,908
Derivative instruments	8	431,623	615,908
Inventories	11	81,551,013	64,463,941
Prepaid expenses	17	6,030,295	3,248,630
Current income tax assets	18	1,782,783	2,345,335
Other current assets	20	7,290,310	4,976,371
Total current assets		239,123,362	232,758,575
Non-current assets:			
Financial investments	6	182,480	192,568
Trade receivables			
-Trade receivables, third parties	9	55,337	46,358
Investments accounted for using the equity method	12	2,352,342	1,978,286
Property, plant and equipment	13	87,187,708	60,581,153
Intangible assets			
-Goodwill		8,456,983	9,876,099
-Other intangible assets	14	36,585,915	27,035,397
Prepaid expenses	17	6,583,598	6,813,800
Deferred tax assets	26	23,142,896	11,182,747
Other non-current assets		1,400,501	242,068
Total non-current assets		165,947,760	117,948,476
Total assets		405,071,122	350,707,051

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024, AND DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

		Unaudited	Audited
	Notes	September 30, 2024	December 31, 2023
LIABILITIES			
Current liabilities:			
Short-term borrowings	7	47,719,649	69,950,533
Short-term portion of long-term borrowings	7	10,190,176	8,099,047
Trade payables			
-Due to related parties	28	5,785,202	7,100,429
-Trade payables, third parties	9	99,459,157	66,542,415
Derivative instruments	8	1,007,176	174,542
Employee benefit obligations	19	8,765,760	5,782,109
Other payables			
-Other payables, related parties		642	331,050
-Other payables, third parties	10	5,526,199	5,435,830
Current income tax liabilities	26	120,659	573,110
Provisions			
-Other provisions	16	12,464,524	8,624,579
Other current liabilities	20	21,284,161	14,603,405
Total current liabilities		212,323,305	187,217,049
Non-current liabilities:			
Long-term borrowings	7	72,009,272	60,405,076
Provisions			
-Provision for employee benefits		8,166,310	4,619,679
-Other provisions	16	4,156,780	1,694,140
Derivative instruments	8	928,638	1,056,190
Deferred tax liabilities	26	6,185,304	4,603,051
Other non-current liabilities	20	9,046,514	10,188,907
Total non-current liabilities		100,492,818	82,567,043
Total liabilities		312,816,123	269,784,092

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

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024, AND DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

		Unaudited	Audited
		September 30,	December 31,
	Notes	2024	2023
EQUITY			
Paid-in capital	21	675,728	675,728
Adjustment to share capital	21	21,482,059	21,482,059
Treasury shares	21	(10,842,718)	(10,842,718)
Other accumulated comprehensive income and expense not to be reclassified to profit or loss			
Gains/ (losses) on revaluation and remeasurement			
-Gain/(loss) arising from defined benefit plans		(3,478,834)	(3,170,980)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
-Currency translation differences		27,149,650	34,343,589
Financial assets at fair value through other comprehensive income gains/(losses)		1,782	22,126
Gains/ losses on hedge			
-Gains/ (losses) on hedges of net investment in foreign operations		(14,691,193)	(12,600,984)
-Gains/ (losses) on cash flow hedges		(370,995)	(813,696)
Restricted reserves	21	17,160,875	17,160,875
Retained earnings		43,201,071	15,563,948
Net income for the period		(5,006,003)	10,416,869
Equity holders of the parent		75,281,422	72,236,816
Non-controlling interest		16,973,577	8,686,143
Total equity		92,254,999	80,922,959
Total liabilities and equity		405,071,122	350,707,051

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

	Notes	Unaudited January 1- September 30, 2024	Unaudited January 1- September 30, 2023	Unaudited July 1- September 30, 2024	Unaudited July 1- September 30, 2023
Net sales	4	301,362,499	264,019,394	105,390,747	92,648,763
Cost of sales		(217,587,730)	(185,520,979)	(77,564,147)	(65,512,193)
Gross profit	4	83,774,769	78,498,415	27,826,600	27,136,570
General administrative expenses		(17,184,962)	(15,347,043)	(5,848,736)	(5,416,263)
Marketing expenses		(58,184,401)	(47,619,319)	(20,130,106)	(16,705,169)
Research and development expenses		(3,458,144)	(1,964,442)	(1,504,508)	(517,735)
Other income from operating activities	22	9,021,580	13,153,869	3,302,548	2,614,360
Other expenses from operating activities	22	(12,513,499)	(16,478,786)	(5,573,774)	(4,425,819)
Operating profit		1,455,343	10,242,694	(1,927,976)	2,685,944
Income from investment activities	23	1,113,081	47,537	9,006	13,147
Expenses from investment activities	23	(165,210)	(66,719)	(24,428)	(11,171)
Share of profit/loss of investments accounted for using the equity method	12	(232,419)	(536,935)	20,371	(335,540)
Operating income before financial income/(expense)		2,170,795	9,686,577	(1,923,027)	2,352,380
Financial income	24	16,956,816	23,931,770	5,813,493	6,608,276
Financial expenses	25	(34,153,516)	(35,864,105)	(12,967,257)	(10,749,665)
Net monetary position gains (losses)		8,203,223	11,286,538	2,431,212	6,359,216
Profit from continuing operations before tax		(6,822,682)	9,040,780	(6,645,579)	4,570,207
Tax income/(expense), continuing operations					
- Taxes on expense	26	(1,695,668)	(2,932,020)	(117,897)	(1,074,983)
- Deferred tax income/(expense)	26	2,669,089	(826,214)	1,155,549	(2,021,783)
Net income		(5,849,261)	5,282,546	(5,607,927)	1,473,441
Attributable to					
Non-controlling interest		(843,258)	763,172	(606,375)	228,693
Equity holders of the parent	27	(5,006,003)	4,519,374	(5,001,552)	1,244,748
Earnings per share (kurus)	27	(8.249)	7.447	(8.242)	2.051

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

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

	Unaudited	Unaudited	Unaudited	Unaudited
	January 1- September 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September 30, 2023
Net income	(5,849,261)	5,282,546	(5,607,927)	1,473,441
Other comprehensive income				
Not to be reclassified to profit or loss	(388,026)	(828,169)	(1,092,353)	(2,097)
Gain/ loss arising from defined benefit plans	(384,845)	(815,904)	(1,093,838)	(5,807)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	(3,181)	(12,265)	1,485	3,710
Not to be reclassified to profit or loss, tax effect	80,172	168,166	270,594	42,210
Gain/ loss arising from defined benefit plans, tax effect	80,172	168,166	270,594	42,210
To be reclassified to profit or loss	(7,653,538)	(2,910,213)	(2,087,620)	(9,781,886)
Currency translation differences	(5,570,937)	1,324,805	(669,581)	(9,563,403)
Other comprehensive income related with hedges of net investments in foreign operations	(2,786,946)	(4,078,199)	(1,446,164)	45,684
Other comprehensive income related with cash flow hedge	590,268	(275,451)	60,771	(244,954)
Share of other comprehensive income of investments accounted for using the equity method that will be reclassified to profit or loss	134,924	129,114	(32,532)	(22,969)
-Currency translation differences of investments accounted for using the equity method	134,924	128,378	(32,532)	(22,784)
-Gain/loss from cash flow hedges of investments accounted for using equity method	-	736	-	(185)
Other gain/ losses to be reclassified to profit or loss	(20,847)	(10,482)	(114)	3,756
To be reclassified to profit or loss, tax effect	549,673	1,084,143	346,303	255,491
Other comprehensive income related with hedges of net investments in foreign operations, tax effect	696,737	1,019,553	361,541	194,795
Other comprehensive income related with cash flow hedge, tax effect	(147,567)	64,770	(15,193)	61,238
Other gain/ losses to be reclassified to profit or loss, tax effect	503	(180)	(45)	(542)
Other comprehensive income/ (loss) (net of tax)	(7,411,719)	(2,486,073)	(2,563,076)	(9,486,282)
Total comprehensive income	(13,260,980)	2,796,473	(8,171,003)	(8,012,841)
Attributable to:				
Non-controlling interest	15,277	2,125,178	(399,890)	97,894
Equity holders of the parent	(13,276,257)	671,295	(7,771,113)	(8,110,735)

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ARÇELİK ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

	Paid-in capital	Adjustment to share capital	Treasury shares	Other comprehensive income not to be reclassified under profit and loss	Other comprehensive income to be reclassified under profit and loss				Retained earnings		Equity holders of the parent	Non-controlling interest	Total equity
				Gain/(loss) arising from defined benefit plans	Gains/ losses on financial assets measured at fair value throughout comprehensive income	Gains/losses on hedge	Currency translation differences	Restricted reserves	Retained earnings	Net income			
Balance at January 1, 2023	675,728	21,482,059	(10,842,718)	(2,185,622)	42,280	(8,241,632)	34,848,642	17,689,934	9,711,461	8,539,501	71,719,633	7,132,914	78,852,547
Transfers	-	-	-	-	-	-	-	395,385	8,144,116	(8,539,501)	-	-	-
Total comprehensive income	-	-	-	(660,003)	(10,662)	(3,268,591)	91,177	-	-	4,519,374	671,295	2,125,178	2,796,473
Net income	-	-	-	-	-	-	-	-	-	4,519,374	4,519,374	763,172	5,282,546
Other comprehensive income	-	-	-	(660,003)	(10,662)	(3,268,591)	91,177	-	-	-	(3,848,079)	1,362,006	(2,486,073)
Dividends	-	-	-	-	-	-	-	(875,589)	(2,340,484)	-	(3,216,073)	(916,588)	(4,132,661)
As of September 30, 2023	675,728	21,482,059	(10,842,718)	(2,845,625)	31,618	(11,510,223)	34,939,819	17,209,730	15,515,093	4,519,374	69,174,855	8,341,504	77,516,359
Balance at January 1, 2024	675,728	21,482,059	(10,842,718)	(3,170,980)	22,126	(13,414,680)	34,343,589	17,160,875	15,563,948	10,416,869	72,236,816	8,686,143	80,922,959
Transfers	-	-	-	-	-	-	-	-	10,416,869	(10,416,869)	-	-	-
Total comprehensive income	-	-	-	(307,854)	(20,344)	(1,647,508)	(6,294,548)	-	-	(5,006,003)	(13,276,257)	15,277	(13,260,980)
Net income	-	-	-	-	-	-	-	-	-	(5,006,003)	(5,006,003)	(843,258)	(5,849,261)
Other comprehensive income	-	-	-	(307,854)	(20,344)	(1,647,508)	(6,294,548)	-	-	-	(8,270,254)	858,535	(7,411,719)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(859,560)	(859,560)
Acquisition of a subsidiary (Note3)	-	-	-	-	-	-	-	-	-	-	-	6,363,145	6,363,145
Transactions with non-controlling shares (Note 3)	-	-	-	-	-	-	(899,391)	-	17,220,254	-	16,320,863	2,768,572	19,089,435
As of September 30, 2024	675,728	21,482,059	(10,842,718)	(3,478,834)	1,782	(15,062,188)	27,149,650	17,160,875	43,201,071	(5,006,003)	75,281,422	16,973,577	92,254,999

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

	Notes	Unaudited January 1- September 30, 2024	Unaudited January 1- September 30, 2023
Cash flows from operating activities:			
Net income:		(5,849,261)	5,282,546
<i>Adjustments to reconcile net cash provided from operating activities to net income after taxes</i>			
Adjustments for depreciation and amortisation expense	13,14	11,521,687	9,069,908
Adjustments for impairment loss	31	(199,921)	331,550
Adjustments for other provisions	31	6,318,457	7,722,205
Adjustments for interest income	24	(2,185,294)	(1,588,268)
Adjustments for interest expense	25	10,054,149	7,786,725
Adjustments for income arised from government grants	22	(459,576)	(337,397)
Adjustments for unrealised foreign exchange losses (gains)	24,25	3,819,850	10,519,143
Adjustments for fair value (gains) losses on derivative financial instruments	24,25	3,820,991	(5,395,369)
Adjustments for undistributed profits of investments accounted for using equity method	12	232,419	536,935
Adjustments for tax expense/income	26	(973,421)	3,758,234
Adjustments for losses (gains) on disposal of non-current assets	23	130,543	19,182
Other adjustments to reconcile profit (loss)	24,25	1,312,643	134,070
Adjustments to dividend (income)/ expenses	23	(2,184)	-
Adjustments for contingent liabilities	23,25	(682,583)	476,034
Adjustments relating to losses (gains) arising from the disposal or changes in interests in subsidiaries, joint ventures and financial investments	23	(19,286)	-
Monetary gain/(loss)		(22,443,992)	(19,416,984)
Adjustments regarding net profit reconciliation for the period		4,395,221	18,898,514
Changes in operating assets and liabilities:			
Adjustments for decrease (increase) in trade receivables		7,234,511	(12,545,351)
Adjustments for decrease (increase) in inventories		1,214,288	(1,186,894)
Decrease (increase) in prepaid expenses		(1,891,494)	179,818
Adjustments for increase (decrease) in trade payables		(13,916,275)	9,387,964
Increase (decrease) in employee benefit liabilities		(1,693,205)	(156,759)
Adjustments for increase (decrease) in other operating payables		(1,113,146)	883,240
Increase (decrease) in government grants and assistance		240,859	208,235
Other adjustments for other increase (decrease) in working capital		(5,154,338)	(4,864,251)
Income taxes refund (paid)		(560,616)	(779,384)
Cash flows from operating activities		(11,244,195)	10,025,132
Investing activities:			
Cash inflows/(outflows) used in obtaining control of subsidiaries or other businesses	3	8,233,637	(1,999,810)
Cash outflows due to share acquisition or capital increase in affiliates and / or joint ventures	12	(495,156)	-
Cash outflows from purchases of property, plant and equipment and intangible assets		(14,146,085)	(10,182,219)
Cash inflows from sale of property, plant and equipment and intangible assets		274,455	155,223
Dividends received	12,23	54,464	33,324
Cash outflows for the acquisition of shares or debt instruments of other businesses or funds	6	(13,731)	(11,141)
Cash inflows for the acquisition of shares or debt instruments of other businesses or funds	6	21,257	-
Cash flows from investing activities		(6,071,159)	(12,004,623)
Financing activities:			
Proceeds from borrowings	7	201,973,432	218,369,492
Repayments of borrowings	7	(192,654,396)	(208,552,240)
Bonds issued	7	7,128,909	16,358,673
Payments of lease liabilities	7	(2,882,639)	(1,802,194)
Dividends paid		(859,560)	(4,132,661)
Cash inflows from derivative instruments (net)		(2,293,458)	4,559,478
Interest paid		(10,112,303)	(9,240,774)
Interest received		2,121,287	1,695,116
Other inflows (outflows) of cash	24,25	(1,312,643)	(134,070)
Cash flows from financing activities		1,108,629	17,120,820
Inflation impact on cash and cash equivalents		(8,213,710)	(11,894,522)
Net increase/(decrease) in cash and cash equivalents before currency translation differences		(24,420,435)	3,246,807
Effect of currency translation differences		(7,622,657)	1,139,701
Net increase/(decrease) in cash and cash equivalents		(32,043,092)	4,386,508
Cash and cash equivalents at January 1	5	66,268,026	54,796,728
Cash and cash equivalents at September 30	5	34,224,934	59,183,236

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

ARÇELİK ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Arçelik Anonim Şirketi (“Arçelik” or “the Company”) and its subsidiaries (collectively, “the Group”) undertake all commercial and industrial activities in respect of the production, sales and marketing, customer services after sales, exportation and importation of consumer durable goods and consumer electronics. The Group operates forty-six manufacturing plants in Turkey, Romania, Russia, China, Republic of South Africa, United Kingdom, Poland, Slovakia, Italy, Thailand, Pakistan, India, Bangladesh and Egypt. The Company is controlled by Koç Holding A.Ş., the parent company, Koç Family and the companies owned by Koç Family (Note 21). The Company’s head office is located at: Karaağaç Caddesi No: 2-6 Söğütözü 34445 Beyoğlu İstanbul / Turkey.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul (“BIST”) since 1986. As of September 30, 2024, the publicly listed shares are 25.15% of the total shares. (December 31, 2023: 25.15%) (Includes treasury shares of 10.19% as of September 30, 2024, and December 31, 2023)

The average number of personnel employed by categories in the Group is 13,022 monthly paid (1 January - 30 September 2024: 9,963) and 38,040 hourly paid (1 January - 30 September 2023: 31,379) totaling to 51,062 (1 January - 30 September 2023: 41,342).

Subsidiaries and branches	Country of incorporation	Core business	Nature of business
Continuing operations as of balance sheet date:			
Arçelik Pazarlama A.Ş. (“Pazarlama A.Ş.”)	Turkey	Service/Sales/Marketing	Consumer Durables/Electronics
Arch R&D Co. Ltd. (“Arch R&D”)	China	R&D	Developing technology and design
Beko B.V. (“Beko B.V.”)	Netherlands	Investment	Holding
Arcwaste Collection SRL (“Arcwaste”) ⁽⁹⁾	Romania	Service	Service
Arctic Foundation (“Arctic Foundation”)	Romania	Foundation	Foundation
Beko A and NZ Pty Ltd. (“Beko Australia”)	New Zealand	Sales	Consumer Durables
Beko A and NZ Pty Ltd. New Zealand Branch (“Beko New Zealand”) ⁽⁹⁾	New Zealand	Sales	Consumer Durables
Beko Appliances Malaysia Sdn. Bhd. (“Beko Malaysia”)	Malaysia	Sales	Consumer Durables
Beko APAC IBC Co. Ltd. (“Beko APAC”)	Thailand	Service	Service
Beko Balkans D.O.O (“Beko Balkans”)	Serbia	Sales	Consumer Durables/Electronics
Beko Central Asia LLC (“Beko Central Asia”)	Kazakhstan	Sales	Consumer Durables
Beko Egypt Trading LLC (“Beko Egypt”)	Egypt	Sales	Consumer Durables
Beko Spain Electronics S.L. (“Beko Espana”) ⁽¹⁾	Spain	Sales	Consumer Durables/Electronics
Beko France S.A.S. (“Beko France”)	France	Sales	Consumer Durables/Electronics
Beko Germany GmbH (“Beko Germany”)	Germany	Sales	Consumer Durables/Electronics
Beko Switzerland GmbH (“Beko Switzerland”)	Switzerland	Sales	Consumer Durables/Electronics
Beko Gulf FZE (“Beko Gulf”)	United Arab Emirates	Sales	Consumer Durables/Electronics
Beko Portugal, Unipessoal LDA (“Beko Portugal”)	Portugal	Sales	Consumer Durables/Electronics
Beko Hong Kong Ltd. (“Beko Hong Kong”)	Hong Kong, China	Purchase	Consumer Durables/Electronics
Beko Israel Household Appliances Ltd. (“Beko Israel”)	Israel	Marketing	Consumer Durables
Beko Italy SRL (“Beko Italy”)	Italy	Sales	Consumer Durables/Electronics
Beko LLC (“Beko Russia”)	Russia	Production/Sales	Consumer Durables/Electronics
Beko Morocco Household Appliances SARL (“Beko Morocco”)	Morocco	Sales	Consumer Durables/Electronics
Beko Plc. (“Beko UK”)	England	Sales	Consumer Durables/Electronics
Beko Ireland (Beko PLC Branch) (“Beko Ireland”) ⁽⁹⁾	Republic of Ireland	Sales	Consumer Durables/Electronics
Beko Pilipinas Corporation (“Beko Philippines”)	Republic of the Philippines	Sales	Consumer Durables
Beko S.A. (“Beko Polska”)	Poland	Sales	Consumer Durables/Electronics
Beko S.A., Czech Branch of Beko S.A. (“Beko Czech”)	Czechia	Sales	Consumer Durables/Electronics
Beko Shanghai Trading Company Ltd. (“Beko Shanghai”)	China	Sales	Consumer Durables/Electronics
Beko Slovakia S.R.O. (“Beko Slovakia”)	Slovakia	Sales	Consumer Durables/Electronics
Beko Thai Co. (“Beko Thailand”)	Thailand	Production/Sales	Consumer Durables
Beko Ukraine LLC. (“Beko Ukraine”)	Ukraine	Sales	Consumer Durables
Beko US INC. (“Beko US”)	United States of America	Sales	Consumer Durables
Beko Electrical Appliances Co. Ltd. (“Beko China”)	China	Production/Sales	Consumer Durables
Dawlance (Private) Ltd. (“Dawlance”)	Pakistan	Production/Sales	Consumer Durables
Defy (Botswana) (Proprietary) Ltd. (“Defy Botswana”)	Botswana	Sales	Consumer Durables
Defy (Namibia) (Proprietary) Ltd. (“Defy Namibia”)	Namibia	Sales	Consumer Durables
Defy (Swaziland) (Proprietary) Ltd. (“Defy Swaziland”)	Swaziland	Sales	Consumer Durables
Defy Appliances (Proprietary) Ltd. (“Defy”)	Republic of the South Africa	Production/Sales	Consumer Durables
Defy Sales East Africa Limited (“Defy Kenya”)	Kenya	Sales	Consumer Durables
DEL Electronics (Private.) Ltd. (DEL)	Pakistan	Sales	Consumer Durables
Beko Austria AG (“Beko Austria”)	Austria	Sales	Consumer Durables/Electronics
Grundig Multimedia A.G. (“Grundig Switzerland”)	Switzerland	Sales	Electronics
Beko Nordic AB. (“Beko Sweden”)	Sweden	Sales	Consumer Durables/Electronics
Beko Nordic AB,Finland Rep Office of Nordic AB (“Beko Finland”) ⁽⁹⁾⁽¹⁾	Finland	Sales	Consumer Durables/Electronics
Beko Nordic AS (“Beko Norway”)	Norway	Sales	Consumer Durables/Electronics
Beko Nordic DK, Denmark Branch of Beko Nordic AS (“Beko Denmark”) ⁽¹⁾	Denmark	Sales	Consumer Durables/Electronics
Pan Asia Private Equity Ltd. (“Pan Asia”)	British Virgin Islands	Investment	Holding
PT Home Appliances IND	Indonesia	Sales	Consumer Durables
PT Beko Appliances Indonesia	Indonesia	Sales	Consumer Durables

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

ARÇELİK ANONİM ŞİRKETİ

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries and branches (continued)	Country of incorporation	Core business	Nature of business
<i>Continuing operations as of balance sheet date:</i>			
Beko Bangladesh B.V (“Beko Bangladesh”)	Netherlands	Investment	Holding
Beko Romania SA (“Arctic”) ⁽¹⁾	Romania	Production/Sales	Consumer Durables/Electronics
Singer Bangladesh Limited (“Singer Bangladesh”)	Bangladesh	Production/Sales	Consumer Durables/Electronics
United Refrigeration Industries Ltd. (“URIL”)	Pakistan	Production/Sales	Consumer Durables
Vietbeko Limited Liability Company (“Vietbeko”)	Vietnam	Sales	Consumer Durables
Arcelik Hitachi Home Appliances B.V.	Netherlands	Investment	Holding
Arcelik Hitachi Home Appliances (Shanghai) Co., Ltd.	China	Production/Sales	Consumer Durables
Arcelik Hitachi Home Appliances (Thailand) Ltd.	Thailand	Production/Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Singapore) Pte. Ltd.	Singapore	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Thailand) Ltd.	Thailand	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales Malaysia Sdn. Bhd.	Malaysia	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales Middle East Fze	United Arab Emirates	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales Vietnam Co., Ltd.	Vietnam	Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales Hong Kong Limited	Hong Kong, China	Sales	Consumer Durables
Arcelik Hitachi Taiwan Home Appliances Sales Ltd.	Taiwan	Sales	Consumer Durables
PT. Arcelik Hitachi Home Appliances Sales Indonesia	Indonesia	Sales	Consumer Durables
Arcelik Hitachi Home Appliances IBC Co. Ltd.	Thailand	Service	Service
Beko Azerbaijan MMC (“Beko Azerbaijan”)	Azerbaijan	Sales	Consumer Durables
Beko Croatia d.o.o (“Beko Croatia”) ⁽¹⁾	Croatia	Sales	Consumer Durables
Beko Hungary Kft (“Beko Hungary”)	Hungary	Sales	Consumer Durables
Beko Egypt Home Appliances Industries LLC (“Beko Egypt LLC”)	Egypt	Production/Sales	Consumer Durables/Electronics
Beko Greece SMSA (“Beko Greece”)	Greece	Sales	Consumer Durables
IHP Appliances Sales LLC	Russia	Sales	Consumer Durables/Electronics
IHP Appliances JSC	Russia	Production/Sales	Consumer Durables/Electronics
IHP Kazakhstan LLP	Kazakhstan	Sales	Consumer Durables/Electronics
Beko Algeria EURL (“Beko Algeria”)	Algeria	Sales	Consumer Durables
Beko Belgium N.V. (“Beko Belgium”)	Belgium	Sales	Consumer Durables
Beko European Appliances Netherlands BV (“Beko Netherlands”)	Netherlands	Sales	Consumer Durables
Beko Europe B.V. (“Beko Europe”)	Netherlands	Investment	Holding
Beko Europe Austria GmbH ⁽²⁾	Austria	Sales	Consumer Durables
European Appliances Belgium NV ⁽²⁾	Belgium	Sales	Consumer Durables
Beko Europe Bulgaria EOOD ⁽²⁾	Bulgaria	Sales	Consumer Durables
European Appliances Croatia d.o.o. ⁽²⁾	Croatia	Sales	Consumer Durables
European Appliances Czech S.R.O. ⁽²⁾	Czechia	Sales	Consumer Durables
Beko Europe Denmark A/S ⁽²⁾	Denmark	Service	Service
Beko Europe Estonia OÜ ⁽²⁾	Estonia	Sales	Consumer Durables
European Appliances Finland OY ⁽²⁾	Finland	Service	Service
European Appliances France SAS ⁽²⁾	France	Sales	Consumer Durables
European Appliances France Holdings SAS ⁽²⁾	France	Investment	Holding
IRE Beteiligungs GmbH ⁽²⁾	Germany	Sales	Electronics
Bauknecht Hausgeräte GmbH ⁽²⁾	Germany	Sales	Consumer Durables
European Appliances Greece SA ⁽²⁾	Greece	Sales	Consumer Durables
European Appliances Hungary KFT ⁽²⁾	Hungary	Sales	Consumer Durables
Hotpoint Ireland Ltd ⁽²⁾	Republic of Ireland	Sales	Consumer Durables
Beko Europe Management SRL ⁽²⁾	Italy	Sales	Consumer Durables
Beko Italy Manufacturing SRL ⁽²⁾	Italy	Production/Sales	Consumer Durables/Electronics
European Appliances Italy SRL ⁽²⁾	Italy	Sales	Consumer Durables
Beko Europe R&D SRL ⁽²⁾	Italy	R&D	Developing technology and design
Beko Europe Latvia SIA ⁽²⁾	Latvia	Sales	Consumer Durables
Beko Europe Lithuania UAB ⁽²⁾	Lithuania	Sales	Consumer Durables
European Appliances Netherlands BV ⁽²⁾	Netherlands	Sales	Consumer Durables
European Appliances Norway AS ⁽²⁾	Norway	Service	Service
Beko Poland Manufacturing Sp. Z O.O. ⁽²⁾	Poland	Production	Consumer Durables/Electronics
European Appliances Polska Sp. Z.O.O. ⁽²⁾	Poland	Sales	Consumer Durables
Beko Europe Iberia, S.A. ⁽²⁾	Portugal	Sales	Consumer Durables
European Appliances Romania SRL ⁽²⁾	Romania	Sales	Consumer Durables
European Appliances Balkans d.o.o. Beograd ⁽²⁾	Serbia	Service	Service
European Appliances Slovakia spol. S.R.O. ⁽²⁾	Slovakia	Sales	Consumer Durables
Beko Manufacturing Slovakia spol. S.R.O. ⁽²⁾	Slovakia	Production	Consumer Durables/Electronics
European Home Appliances Spain S.A. ⁽²⁾	Spain	Sales	Consumer Durables
European Appliances Nordic AB ⁽²⁾	Sweden	Sales	Consumer Durables
Indesit Company International Business SA ⁽²⁾	Switzerland	Treasury	Treasury
Bauknecht AG ⁽²⁾	Switzerland	Sales	Consumer Durables
European Appliances Ukraine LLC ⁽²⁾	Ukraine	Sales	Consumer Durables
General Domestic Appliances Holdings LTD ⁽²⁾	United Kingdom	Investment	Holding
Indesit Company UK Holdings LTD ⁽²⁾	United Kingdom	Investment	Holding
Hotpoint UK Appliances Limited ⁽²⁾	United Kingdom	Production/Sales	Consumer Durables/Electronics
Beko Europe Holdings BV ⁽²⁾	Netherlands	Investment	Holding
Beko Maghreb Sarl ⁽²⁾	Morocco	Sales	Consumer Durables
Beko Gulf DMCC ⁽²⁾	UAE	Sales	Consumer Durables
Beko AE LLC ⁽²⁾	UAE	Sales	Consumer Durables
Beko Canada INC ⁽²⁾	Canada	Sales	Consumer Durables

(*) Branches of the Subsidiary, which operate in a different country, are separately presented.

(1) The trade names of the related companies were updated as of April 2024, and the registration procedures for the change have been completed in the related country registers

(2)As of the business combination that took place on April 1, 2024, the relevant companies have been incorporated into the Group. The registration procedures related to the changes in the board of directors and the company name are ongoing in the relevant country registries.

ARÇELİK ANONİM ŞİRKETİ

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)

<u>Subsidiaries and branches (continued)</u>	<u>Country of incorporation</u>	<u>Core business</u>	<u>Nature of business</u>
<i>Ceased operations as of reporting date:</i>			
Beko Cesko (“Beko Cesko”)	Czechia	-	-
Grundig Intermedia Ges.m.b.H (“Grundig Austria”)	Austria	-	-
<u>Associates</u>			
Koç Finansman A.Ş. (“Koç Finansman”)	Turkey	Finance	Consumer Finance
Ram Dış Ticaret A.Ş. (“Ram Dış Ticaret”)	Turkey	Sales	Foreign Trade
<u>Joint Ventures</u>			
Arçelik-LG Klima Sanayi ve Ticaret A.Ş. (“Arçelik-LG”)	Turkey	Production/Sales	Consumer Durables
VoltBek Home Appliances Private Limited (“VoltBek”)	India	Production/Sales	Consumer Durables

Approval of condensed consolidated financial statements

These condensed interim consolidated financial statements as of and for the period January 1, - September 30, 2024 has been approved for issue by the Board of Directors on October 25, 2024.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

The condensed interim consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on July 3, 2024 by POA and the format and mandatory information recommended by CMB.

The Group prepared its condensed consolidated interim financial statements for the period ended September 30, 2024 in accordance with TAS 34 “Interim Reporting” standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

Foreign subsidiaries have prepared their statutory financial statements in accordance with the related local laws and regulations. Consolidated financial statements have been prepared under the historical cost convention except for the derivative instruments and available for sale financial assets presented at fair values.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting year ending on or after December 31, 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.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of September 30, 2023, and December 31, 2023 on the purchasing power basis as of September 30, 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of September 30, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Conversion Factor	Three-year Inflation Rate
30 September 2024	2,526.16	1.00000	343%
31 December 2023	1,859.38	1.35860	268%
30 September 2023	1,691.04	1.49385	254%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period condensed consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 “Impairment of Assets” and IAS 2 “Inventories” are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the statement of financial position date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the statement of financial position, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the condensed consolidated profit or loss statement.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of September 30, 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 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.

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.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

New and amended standards and interpretations (Continued)

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA. 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 is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

New and amended standards and interpretations (Continued)

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.

As of July 15, 2024, the Group's companies falling within the scope of the relevant standard in Belgium have been identified and the notification has been made in a timely manner. Furthermore, the Group is monitoring whether the legislation has entered into force in each country, the applicable statutory deadlines, and the notification obligations.

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

The following amendments to IFRS 9 and IFRS 7 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 Group is in the process of assessing the impact of the amendments on 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.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.2 Basis of presentation (Continued)

New and amended standards and interpretations (Continued)

- **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'.

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

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. The Group is in the process of assessing the impact of the amendments 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. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

New and amended standards and interpretations (Continued)

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TRY, which is the functional currency of Arçelik and the presentation currency of the Group.

Financial statements of subsidiaries operating in countries other than Turkey

The Financial statements of subsidiaries operating in countries other than Turkey are compiled by the TFRS promulgated by the POA to reflect the proper presentation and content. Subsidiaries’ assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate. Incomes and expenses have been indexed to reflect their purchasing power at the end of the current period. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet date rates are recognised in the “currency translation difference” under the use of equity.

Consolidation principles

- (a) The consolidated financial statements include the accounts of the parent company, Arçelik, and its Subsidiaries and Associates on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements and are based on the statutory records with adjustments and reclassifications for the purpose of presentation in conformity TFRS promulgated by the POA as set out in the communiqué numbered II-14.1, and Group accounting and disclosure policies.
- (b) Subsidiaries are the Companies controlled by Arçelik when it 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.
- (c) Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The statement of financial position and statements profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Arçelik and its Subsidiaries is eliminated against the related shareholders’ equity. Intercompany transactions and balances between Arçelik and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by Arçelik in its Subsidiaries are eliminated from shareholders’ equity and income for the year, respectively.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.1 Basis of presentation (Continued)

Consolidation principles (continued)

The table below sets out all Subsidiaries included in the scope of consolidation discloses their direct and indirect ownership, which are identical to their economic interests, as of September 30, 2024 and December 31, 2023 (%) and their functional currencies:

	Functional currency	September 30, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Continuing operations as of balance sheet date:					
Arch R&D	Chinese Yuan	100	100	100	100
Beko Romania ^(*)	Romanian Lei	72.54	72.54	96.72	96.72
Arcwaste ^(*)	Romanian Lei	72.54	72.54	96.72	96.72
Arctic Foundation ^(*)	Romanian Lei	72.54	72.54	96.72	96.72
Beko B.V.	Euro	100	100	100	100
Beko APAC	Thai Baht	100	100	100	100
Beko Australia	Australian Dollar	100	100	100	100
Beko New Zealand	New Zealand Dollar	100	100	100	100
Beko Balkans ^(*)	Serbian Dinar	75	75	100	100
Beko China	Chinese Yuan	100	100	100	100
Beko Central Asia	Kazakhstan Tenge	100	100	100	100
Beko Germany ^(*)	Euro	75	75	100	100
Beko Egypt	Egyptian Lira	100	100	100	100
Beko Espana ^(*)	Euro	75	75	100	100
Beko France ^(*)	Euro	75	75	100	100
Beko Gulf	Dirham	100	100	100	100
Beko Portugal ^(*)	Euro	75	75	100	100
Beko Hong Kong	US Dollar	100	100	100	100
Beko Israel	New Israeli Shekel	100	100	100	100
Beko Italy ^(*)	Euro	100	100	100	100
Beko Malaysia	Malaysian Ringgit	100	100	100	100
Beko Morocco	Moroccan Dirham	100	100	100	100
Beko Polska ^(*)	Polish Zloty	75	75	100	100
Beko Czech ^(*)	Czech Koruna	75	75	100	100
Beko Philippines	Philippine Peso	100	100	100	100
Beko Russia	Russian Ruble	100	100	100	100
Beko Shanghai	Chinese Yuan	100	100	100	100
Beko Slovakia ^(*)	Euro	75	75	100	100
Beko Switzerland ^(*)	Swiss Franc	75	75	100	100
Beko Thailand	Thai Baht	100	100	100	100
Beko UK ^(*)	British Pound	75	75	100	100
Beko Ireland ^(*)	Euro	75	75	100	100
Beko Ukraine ^(*)	Ukrainian Hryvna	75	75	100	100
Beko US	US Dollar	100	100	100	100
Dawlance	Pakistani Rupee	100	100	100	100
Defy	South Africa Rand	100	100	100	100
Defy Botswana	Botswana Pula	100	100	100	100
Defy Namibia	Namibian Dollar	100	100	100	100
Defy Swaziland	Svazi Lilangeni	100	100	100	100
Defy Kenya	Kenya Shilling	100	100	100	100
DEL	Pakistani Rupee	100	100	100	100
Beko Austria ^(*)	Euro	75	75	100	100
Beko Norway ^(*)	Norwegian Krone	75	75	100	100
Beko Denmark ^(*)	Danish Krone	75	75	100	100
Beko Sweden ^(*)	Swedish Krona	75	75	100	100
Beko Finland ^(*)	Euro	75	75	100	100
Grundig Switzerland	Swiss Franc	75	75	100	100
Pan Asia	US Dollar	100	100	100	100
Pazarlama A.Ş.	Turkish Lira	100	100	100	100
PT Home Appliances IND	Indonesian Rupiah	67	67	67	67
PT Beko Appliances Indonesia	Indonesian Rupiah	100	100	100	100
Beko Bangladesh	US Dollar	100	100	100	100
Singer Bangladesh	Bangladeshi Taka	56.99	56.99	56.99	56.99
United Refrigeration Industries	Pakistani Rupee	100	100	100	100
Vietbeko	Vietnamese Dong	100	100	100	100
Arçelik Hitachi	Euro	60	60	60	60
Arçelik Hitachi Shangai	Chinese Yuan	57	57	57	57
Arçelik Hitachi Thailand	Thai Baht	50.4	50.4	50.4	50.4
Arçelik Hitachi Singapore	Singapore Dollar	60	60	60	60

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.1 Basis of presentation (Continued)

Continuing operations as of balance sheet date: (Continued)	Functional currency	September 30, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Arçelik Hitachi Sales Thailand	Thai Baht	60	60	60	60
Arçelik Hitachi Malaysia	Malaysian Ringgit	60	60	60	60
Arçelik Hitachi Dubai	Dirham	60	60	60	60
Arçelik Hitachi Vietnam	Vietnamese Dong	60	60	60	60
Arçelik Hitachi Hong Kong	Hong Kong Dollar	60	60	60	60
Arçelik Hitachi Taiwan	Taiwanese Dollar	60	60	60	60
Arçelik Hitachi Indonesia	Indonesian Rupiah	40.5	40.5	40.5	40.5
Arçelik Hitachi Thailand IBC	Thai Baht	60	60	60	60
Beko Azerbaijan	Azerbaijan Manat	100	100	100	100
Beko Croatia ^(*)	Croatian Kuna	75	75	100	100
Beko Hungary ^(*)	Hungarian Forint	75	75	100	100
Beko Egypt LLC	Egyptian Lira	100	100	100	100
Beko Greece ^(*)	Euro	75	75	100	100
IHP Appliances Sales LLC	Russian Ruble	100	100	100	100
IHP Appliances JSC	Russian Ruble	100	100	100	100
IHP Kazakhstan LLP	Kazakhstan Tenge	100	100	100	100
Beko Algeria	Algerian Dinar	100	100	100	100
Beko Belgium ^(*)	Euro	75	75	100	100
Beko Netherlands ^(*)	Euro	75	75	100	100
Beko Europe ^(*)	Euro	75	75	100	100
Beko Europe Austria GmbH ^(**)	Euro	75	75	-	-
European Appliances Belgium NV ^(**)	Euro	75	75	-	-
Beko Europe Bulgaria EOOD ^(**)	Bulgarian Lev	75	75	-	-
European Appliances Croatia d.o.o. ^(**)	Euro	75	75	-	-
European Appliances Czech S.R.O. ^(**)	Czech Koruna	75	75	-	-
Beko Europe Denmark A/S ^(**)	Danish Krone	75	75	-	-
Beko Europe Estonia OÜ ^(**)	Euro	75	75	-	-
European Appliances Finland OY ^(**)	Euro	75	75	-	-
European Appliances France SAS ^(**)	Euro	75	75	-	-
European Appliances France Holdings SAS ^(**)	Euro	75	75	-	-
Ire Beteiligungs GmbH ^(**)	Euro	75	75	-	-
Bauknecht Hausgeräte GmbH ^(**)	Euro	75	75	-	-
European Appliances Greece SA ^(**)	Euro	75	75	-	-
European Appliances Hungary KFT ^(**)	Hungarian Forint	75	75	-	-
Hotpoint Ireland Ltd ^(**)	Euro	75	75	-	-
Beko Europe Management SRL ^(**)	Euro	75	75	-	-
Beko Italy Manufacturing SRL ^(**)	Euro	75	75	-	-
European Appliances Italy SRL ^(**)	Euro	75	75	-	-
Beko Europe R&D SRL ^(**)	Euro	75	75	-	-
Beko Europe Latvia SIA ^(**)	Euro	75	75	-	-
Beko Europe Lithuania UAB ^(**)	Euro	75	75	-	-
European Appliances Netherlands BV ^(**)	Euro	75	75	-	-
European Appliances Norway AS ^(**)	Norwegian Krone	75	75	-	-
Beko Poland Manufacturing Sp. Z.O.O. ^(**)	Euro	75	75	-	-
European Appliances Polska Sp. Z.O.O. ^(**)	Polish Zloty	75	75	-	-
Beko Europe Iberia, S.A. ^(**)	Euro	75	75	-	-
European Appliances Romania SRL ^(**)	Romanian Lei	75	75	-	-
European Appliances Balkans d.o.o. Beograd ^(**)	Serbian Dinar	75	75	-	-
European Appliances Slovakia spol. S.R.O. ^(**)	Euro	75	75	-	-
Beko Manufacturing Slovakia spol. S.R.O. ^(**)	Euro	75	75	-	-
European Home Appliances Spain S.A ^(**)	Euro	75	75	-	-
European Appliances Nordic AB ^(**)	Swedish Krona	75	75	-	-
Indesit Company International Business SA ^(**)	Swiss Franc	75	75	-	-
Bauknecht AG ^(**)	Swiss Franc	75	75	-	-
European Appliances Ukraine LLC ^(**)	Ukrainian Hryvna	75	75	-	-
General Domestic Appliances Holdings LTD ^(**)	British Pound	75	75	-	-
Indesit Company UK Holdings LTD ^(**)	British Pound	75	75	-	-
Hotpoint UK Appliances Limited ^(**)	British Pound	75	75	-	-
Beko Europe Holdings BV ^(**)	Euro	75	75	-	-
Beko Maghreb Sarl ^(**)	Moroccan Dirham	100	100	-	-
Beko Gulf DMCC ^(**)	Dirhem	100	100	-	-
Beko AE LLC ^(**)	Dirhem	100	100	-	-
Beko Canada INC ^(**)	Canadian Dolar	100	100	-	-

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2.1 Basis of presentation (Continued)

	September 30, 2024		December 31, 2023		
Ceased operations as of balance sheet date:					
Beko Cesko	-	75	75	100	100
Grundig Austria	-	75	75	100	100

(*) As of April 1, 2024, there have been changes in the voting rights and effective equity interest of the relevant companies as a result of the business combinations. Please refer to Note 3 for a detailed explanation.

(**)As of the business combination that took place on April 1, 2024, the relevant companies have been incorporated into the Group. The registration procedures related to the changes in the board of directors and the company name are ongoing in the relevant country registries.

- (d) Associates and joint ventures are companies in which the Group has attributable interest of more than 20% and less than 50% of the ordinary share capital held for the long-term and over which a significant influence is exercised. Associates and joint ventures are accounted for using the equity method.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. After the date of the caesura of the significant influence, the investment is carried at fair value.

The table below sets out all associates and joint ventures shows their direct and indirect ownership as of September 30, 2024 and December 31, 2023 (%):

	September 30, 2024	December 31, 2023
Arçelik - LG	45.00	45.00
Koç Finansman	47.00	47.00
Ram Dış Ticaret	33.50	33.50
VoltBek	49.00	49.00

- (e) Financial assets in which the Group has ownership interests below 20%, or in which a significant influence is not exercised by the Group that have quoted market prices in active markets and whose fair values can be reliably measured are classified as financial assets measured at fair value through other comprehensive income in the consolidated financial statements.
- (f) The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as “non-controlling interest” in the consolidated statements of financial position and consolidated statements of profit or loss.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

2.1 Basis of presentation (Continued)

Going concern

The Group prepared condensed consolidated financial statements in accordance with the going concern assumption.

Offsetting

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

Comparatives and restatement of prior periods’ financial statements

The condensed consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained.

Group has applied consistent accounting policies in the preparation of consolidated financial statements presented the Group does not have any other significant changes in accounting policy and accounting estimates in the current period.

The fixed asset advances given amounting to TRY 3,280,015 which were classified in the "Tangible Assets" account in the condensed consolidated statement of financial position for the period ending 1 January - 31 December 2023, were classified in the "Prepaid Expenses" account under Fixed Assets.

2.2 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period condensed consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.3 Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ended September 30, 2024, have been prepared in accordance with IAS 34, Interim Financial Reporting. The significant accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those disclosed in detail in the consolidated financial statements as at December 31, 2023. Consequently, the interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023.

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NOTE 3 – BUSINESS COMBINATIONS

- i) As stated in the material disclosure dated January 17, 2023, a Shareholder Agreement was signed between Arçelik and Whirlpool Corporation with the aim of merging all of the production, sales, and marketing subsidiaries of Arçelik and Whirlpool Corporation operating in Europe under a new company, Beko Europe BV, which Arçelik will control with a 75% shareholding and Whirlpool Corporation will have a non-controlling 25% shareholding, in line with Arçelik's growth strategy. Furthermore, as of April 1, 2024, in accordance with the principles stated in the extraordinary situation disclosure dated January 17, 2023, a Partnership Agreement, Brand License Agreements, and other agreements regarding operational and supply matters were signed. Thus, as of April 1, 2024, control of all of Whirlpool Corporation's production, sales, and marketing subsidiaries operating in Europe has passed to Arçelik.

In the consolidated financial statements as of September 30, 2024, the net assets of Whirlpool subsidiaries have been provisionally recognized in accordance with the provisional accounting of IFRS 3 "Business Combinations". In accordance with IFRS 3, any adjustments arising from the subsequent period's allocation of the purchase price in respect of the provisionally recognized amounts shall be recognized in the measurement period in accordance with IFRS 3.

The purchase price for this transaction is calculated as 25% of the fair value of the entirety of Arçelik's European production, sales, and marketing subsidiaries. Given that the fair value of these subsidiaries has not been finalized as of September 30, 2024, a provisional fair value estimate has been used, amounting to 75% of the provisionally recognized net assets of Whirlpool Corporation's European subsidiaries, which are being acquired.

At the date of the business combination, the value of the non-controlling interest in Beko Europe BV, representing a 25% shares of Whirlpool Corporation, in the consolidated financial statements was measured as the sum of the portion attributable to these shares of the fair value of the net assets of Whirlpool subsidiaries at the acquisition date and the portion attributable to these shares of the carrying amount of the net assets of Arçelik's European production, sales, and marketing subsidiaries. In this context, the difference of TL 16,320,863 between 25% of the fair value of Arçelik's European production, sales, and marketing subsidiaries, which was accepted as the consideration transferred, and 25% of the carrying amount of the net assets of these subsidiaries, was recognized as a transaction with non-controlling interest and was accounted for in retained earnings.

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NOTE 3 – BUSINESS COMBINATIONS (Continued)

The consideration transferred and the fair values of the acquired assets and liabilities, provisionally used in accordance with IFRS 3, are summarized in the table below:

	1 April 2024
Cash and cash equivalents	8,447,908
Trade receivables	24,400,230
Provision for expected credit loss (Note 9)	(978,541)
Other receivables	549,784
Derivative instruments	47,898
Inventories	18,426,637
Provision for inventories	(760,574)
Other current assets	3,762,827
Property, plant and equipment (Note 13)	29,859,086
Intangible assets (Note 14)	9,976,501
Deferred tax assets /(liabilities), net (Note 26)	7,493,364
Other non-current assets	1,153,934
Lease liabilities (Note 7)	(5,808,505)
Trade payables and other payables	(50,764,660)
Provisions to employee benefits and other provisions	(13,173,406)
Other liabilities	(7,179,903)
Total net identifiable assets (100%) (provisional)	25,452,580
Representing the 75% share acquired (provisional)	19,089,435
Goodwill (provisional)	-
Total consideration transferred (provisional)	19,089,435

As of September 30, 2024, the total costs associated with the acquisition of Whirlpool (MENA^(*) and Europe) and included in the general and administrative expenses of Arçelik Group's consolidated income statement amount to TRY 481,298. (December 2023: TRY 749,625.)

(*) Refers to two affiliated companies, namely Whirlpool MEEA DMCC and Whirlpool Maroc S.a.r.l.

If Whirlpool Euro Holdings BV had been included in the consolidation as of January 1, 2024, the impact on the Group's consolidated statement of profit or loss would have been TRY 30,367,479 and TRY (2,163,909) for revenue and net profit for the period, respectively.

In the consolidated statement of profit or loss, Whirlpool Euro Holding BV's share of sales revenue generated after the acquisition date amounted to TRY 53,621,054, while its contribution to the net profit for the period was (TRY 4,384,464).

The details of the cash inflow resulting from the acquisition are as follows:

Total consideration transferred - cash	-
Cash and cash equivalents - acquired	8,447,908
Net cash inflow from the acquisition	8,447,908

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 – BUSINESS COMBINATIONS (Continued)

- ii) Pursuant to the closing of transactions outlined in the MENA share purchase agreement, as disclosed on January 17, 2023 and June 23, 2023, 100% of the shares in Whirlpool MEEA DMCC and Whirlpool Maroc S.a.r.l., Whirlpool Corporation subsidiaries operating in the Middle East and North Africa ("MENA") region and incorporated in the United Arab Emirates and Morocco, respectively, along with all of Whirlpool's MENA operations, were transferred to Beko B.V. on April 1, 2024.

In the consolidated financial statements as of September 30, 2024, the net assets of Whirlpool MENA, acquired in accordance with the provisions of the IFRS 3 "Business Combinations Standard", were provisionally recognized. In accordance with IFRS 3, adjustments arising from the subsequent distribution of the purchase price, resulting from the completion of the purchase price allocation exercise, will be recognized in the measurement period.

Furthermore, effective April 1, 2024, Beko B.V. and Whirlpool Corporation have executed a Partnership Agreement, Trademark License Agreements, and other ancillary agreements setting forth the terms of their cooperation regarding operations and supply, as previously disclosed in the special situation announcement dated January 17, 2023.

The consideration transferred and the fair values of the acquired assets and liabilities, provisionally used in accordance with IFRS 3, are summarized in the table below:

	1 April 2024
Cash and cash equivalents	659,969
Trade receivables	564,596
Provision for expected credit loss (Note 9)	(40,010)
Inventories	414,186
Provision for inventories	(3,298)
Other current assets	32,246
Property, plant and equipment (Note 13)	11,979
Intangible assets (Note 14)	12,288
Deferred tax assets /(liabilities), net (Note 26)	33,878
Trade payables and other payables	(637,438)
Other Liabilities	(188,306)
Total net identifiable assets (100%) (provisional)	860,090
Goodwill (provisional)	14,150
Total consideration transferred	874,240

Had the companies in question been consolidated as of January 1, 2024, the Group's consolidated income statement would have reflected an additional TRY 1,298,067 in revenue and TRY (52,800) in net profit for the period.

In the consolidated statement of profit or loss, Whirlpool MENA's share of post-acquisition sales revenue amounted to TRY 2,052,109, while its contribution to the net profit for the period was TRY 45,511.

The details of the cash outflow resulting from the acquisition are as follows:

Total consideration transferred - cash	(874,240)
Cash and cash equivalents - acquired	659,969
Net cash outflow from the acquisition	(214,271)

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - SEGMENT REPORTING

The reportable segments of Arçelik have been organized by management into white goods and consumer electronics. White goods reportable segment comprises washing machines, dryers, dish washers, refrigerators, ovens, cookers and the services provided for these products. The consumer goods reportable segment comprises televisions primarily with flat screens, computers, cash registers, other electronic devices and the services provided to consumers for these products. Other segment comprises the revenues from air conditioners, home appliances and furniture and kitchen gadgets except products included in white goods and consumer electronics.

Arçelik’s reportable segments are strategic business units that present various products and services. Each of these segments is administrated separately due to the necessity of different technologies and marketing strategies.

Information about the operational segments is as follows. Gross profitability is evaluated regarding the performance of the operational segments.

- a) Operational segments which have been prepared in accordance with the reportable segments for nine months period ended September 30, 2024 are as follows:

	White goods	Consumer electronics	Other	Total
Net sales (*)	228,310,073	15,868,863	57,183,563	301,362,499
Gross profit	62,364,674	2,474,710	18,935,385	83,774,769
Depreciation and amortization	10,709,406	435,048	438,903	11,583,357
Capital expenditures	13,053,625	749,101	405,029	14,207,755

- (*) For the period ended September 30, 2024, the Group recognized net sales of TRY 297,622,823 related to performance obligations satisfied at a point in time. (2023: TRY 263,734,111).

- b) Operational segments which have been prepared in accordance with the reportable segments for the nine months period ended September 30, 2023 are as follows:

	White goods	Consumer electronics	Other	Total
Net sales	201,380,824	17,841,901	44,796,669	264,019,394
Gross profit	62,256,529	2,821,049	13,420,837	78,498,415
Depreciation and amortization	8,299,570	446,840	391,390	9,137,800
Capital expenditures	9,279,820	733,489	236,802	10,250,111

- c) Operational segments which have been prepared in accordance with the reportable segments for the period from July 1 to September 30, 2024 are as follows:

	White goods	Consumer electronics	Other	Total
Net sales (*)	81,222,933	4,633,584	19,534,230	105,390,747
Gross profit	20,370,496	846,893	6,609,211	27,826,600
Depreciation and amortization	4,021,025	146,563	147,603	4,315,191
Capital expenditures	4,818,188	290,419	134,759	5,243,366

- (*) For the period from July 1 to September 30, 2024, the Group recognized net sales of TRY 103,577,235 related to performance obligations satisfied at a point in time. (2023: TRY 92,541,994).

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NOTE 4 - SEGMENT REPORTING (Continued)

d) Operational segments which have been prepared in accordance with the reportable segments for the period from July 1 to September 30, 2023 are as follows:

	White goods	Consumer electronics	Other	Total
Net sales	71,280,290	6,368,623	14,999,850	92,648,763
Gross profit	22,396,600	599,851	4,140,119	27,136,570
Depreciation and amortization	2,722,008	141,111	129,361	2,992,480
Capital expenditures	3,801,719	306,535	83,292	4,191,546

e) Sales revenue grouped geographically based on the location of the customers for the nine months period ended September 30 are shown as below:

January 1 - September 30, 2024	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	103,271,035	138,982,417	33,139,995	12,526,283	13,442,769	301,362,499

January 1 - September 30, 2023	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	101,733,190	99,446,526	37,958,174	11,752,966	13,128,538	264,019,394

f) Sales revenue grouped geographically based on the location of the customers for the nine months period ended September 30 are shown as below:

July 1 - September 30, 2024	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	32,077,025	55,033,484	9,184,611	4,583,423	4,512,204	105,390,747

July 1 - September 30, 2023	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	35,756,205	36,315,807	10,711,208	4,319,786	5,545,757	92,648,763

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NOTE 5 - CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023
Cash in hand	60,061	30,465
Cash at banks		
- demand deposits	11,476,338	14,554,133
- time deposits	20,891,071	49,962,816
Cheques and notes	412,249	483,288
Other (*)	1,385,215	1,237,324
Cash and cash equivalents in cash flow statement	34,224,934	66,268,026
Interest income accruals	84,659	20,652
	34,309,593	66,288,678

(*) As of September 30, 2024, TRY 909,029 consists of credit card receivables with a maturity of less than 3 months (December 31, 2023: TRY 1,157,435).

The maturity breakdown of cash and cash equivalents is as follows:

Up to 30 days	30,521,653	64,849,860
30-90 days	3,787,940	1,438,818
	34,309,593	66,288,678

NOTE 6 - FINANCIAL INVESTMENTS

Fair value gain/ losses of financial assets reflected to other comprehensive income

	September 30, 2024	December 31, 2023
Financial assets that its fair value gain/losses of reflected to other comprehensive income	182,480	192,568
Total	182,480	192,568

	September 30, 2024	December 31, 2023
Ultra Kablolu	105,906	105,906
Hoxton Ventures III	33,352	27,226
500 Startups Istanbul Fund II Cooperatif	28,262	20,660
E&E Recycling, INC	8,497	10,257
Thai Refrigeration Components Co., Ltd.	5,530	6,129
Tat Gıda Sanayi A.Ş.	-	21,257
Other	933	1,133
	182,480	192,568

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NOTE 6 - FINANCIAL INVESTMENTS (Continued)

The details of financial investments for the nine months period ended September 30, are as follows:

	2024	2023
As of January 1	192,568	196,731
Change in fair value	-	(10,482)
Additions	13,731	11,141
Disposal	(21,257)	-
Currency translation differences	(2,562)	(2,266)
Inflation effect	-	1,598
As of September 30	182,480	196,722

NOTE 7 - BORROWINGS

a) Short-term borrowings

	September 30, 2024	December 31, 2023
Short-term bank borrowings	30,369,233	53,343,738
Short-term lease liabilities	2,755,042	1,288,577
Payables due to factoring activities	1,024,164	946,053
Other short-term borrowings ^(*)	13,571,210	14,372,165
Total short-term borrowings	47,719,649	69,950,533
Short-term portion of long-term bank borrowings and interest accruals	5,542,346	6,454,277
Short term portion of long-term bond issued and interest accruals	4,647,830	1,644,770
Total short-term portion of long-term borrowings	10,190,176	8,099,047

^(*) Other short-term borrowings include financial liabilities arising from credit card use.

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NOTE 7 - BORROWINGS (Continued)

a) Short-term borrowings (Continued)

As of September 30, 2024, the details of short-term bank borrowings and credit cards borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Turkish Lira	33.4	15,489,054,796	15,489,055
Euro	5.5	259,986,502	9,884,167
US Dollar	5.5	244,525,281	8,335,867
Bangladeshi Taka	12.3	12,677,066,439	3,619,683
Pakistani Rupee	22.1	13,045,295,316	1,592,961
Thai Baht	5.7	1,005,078,512	1,058,750
Russian Ruble	21.1	3,880,256,363	1,418,661
Australian Dollar	6.1	31,719,537	742,846
Norwegian Krone	6.1	150,360,620	484,687
Swedish Krona	5.4	86,230,891	288,951
Czech Koruna	6	180,287,531	272,937
Malaysian Ringgit	6.6	30,926,357	255,814
Chinese Yuan	3.7	49,438,436	239,004
Indonesian Rupiah	9.5	89,081,200,000	201,324
Polish Zloty	7.9	6,255,296	55,736
			43,940,443

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NOTE 7 - BORROWINGS (Continued)

a) Short-term borrowings (Continued)

As of December 31, 2023, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	6.1	879,714,494	38,931,776
Turkish Lira	40.1	10,442,233,226	14,186,854
Bangladeshi Taka	9.3	8,290,029,471	3,023,741
US Dollar	8.6	66,381,706	2,654,926
Polish Zloty	7.3	200,344,769	2,046,508
Pakistani Rupee	23	14,095,040,024	2,011,662
Russian Ruble	18.2	2,162,570,308	958,136
Swedish Krona	5.2	225,086,040	895,971
British Pound	7.1	16,617,394	845,301
Australian Dollar	6.1	30,321,067	824,764
Thai Baht	5.5	326,982,692	381,673
Malaysian Ringgit	6	31,999,012	278,772
Indonesian Rupiah	9.5	91,260,500,000	236,815
Norwegian Krone	6.1	48,905,999	191,750
Czech Koruna	8.5	77,724,132	139,429
Romanian Lei	8.7	10,100,000	89,347
Chinese Yuan	4.7	3,300,036	18,478
			67,715,903

As of September 30, 2024, the details of payables due to factoring activities are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.3	13,472,816	512,210
Polish Zloty	6.8	29,436,145	262,282
British Pound	5.9	5,311,347	241,883
Swiss Franc	2.4	192,518	7,748
Russian Ruble	14	112,146	41
			1,024,164

As of December 31, 2023, the details of payables due to factoring activities are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
British Pound	6.2	4,778,851	458,809
Polish Zloty	6.8	44,915,601	243,092
Euro	5.1	5,406,677	239,273
Swiss Franc	14.5	2,482,398	1,100
Russian Ruble	7	79,532	3,779
			946,053

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings

	September 30, 2024	December 31, 2023
Long-term bank borrowings	32,856,119	21,119,230
Long-term bonds issued (**)	32,150,434	35,396,664
Long-term lease liabilities	7,002,719	3,889,182
	72,009,272	60,405,076

(**) Long term bond issued:

2024:

The Company issued bond amounting to TRY 2 billion quoted on January 23, 2024 in Borsa İstanbul with every 3 months interest payment. Maturity of the bonds is January 21, 2025, and the coupon rate is 44%.

The Company issued bond amounting to TRY 2 billion quoted on February 16, 2024 in Borsa İstanbul with every 3 months interest payment. Maturity of the bonds is February 14, 2025, and the coupon rate is 47%.

The Company issued bond amounting to TRY 1,875,500 thousands quoted on April 8, 2024 in Borsa İstanbul with every 3 months interest payment. Maturity of the bonds is April 6, 2026, and the coupon rate is 46.5%.

2023:

The Company issued bond amounting to USD 400 million quoted on September 25, 2023 and USD 100 million quoted on November 17, 2023 in Euronext Dublin Stock Exchange with semi-annually interest payment. Maturity of the bonds is September 25, 2028, and the coupon rate is 8.5%.

2021:

The company issued green bond amounting to EUR 350 million, quoted in Ireland Stock Exchange with annual interest payment on May 27, 2021. Maturity of the bond is May 27, 2026 and coupon rate is 3%. The Group has a commitment to finance its projects within the scope of the Green Financing Framework, which it has created based on its sustainability strategy, with the funds obtained from the green bond issuance.

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

As of September 30, 2024, the details of the long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	5.5	768,811,523	29,228,676
South Africa Rand	9.5	1,648,278,542	3,284,360
US Dollar	9.2	52,096,891	1,775,983
Romanian Lei	7.5	202,685,265	1,539,820
Pakistani Rupee	21	7,829,297,941	956,036
Bangladeshi Taka	12.5	2,586,874,036	738,630
British Pound	7.4	10,555,000	480,683
Turkish Lira	57.1	394,276,596	394,277
			38,398,465
Short-term portion of long-term loans and interest accruals			(5,542,346)
			32,856,119

As of December 31, 2023, the details of the long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.9	441,113,604	19,521,488
South Africa Rand	9.5	1,446,082,054	3,136,567
US Dollar	9.2	50,928,713	2,036,886
Romanian Lei	7.4	77,703,397	687,386
British Pound	7.5	10,000,000	508,684
Turkish Lira	39.8	312,972,830	425,206
Russian Ruble	18	263,340,822	116,674
Pakistani Rupee	22.6	7,991,914,521	1,140,616
			27,573,507
Short-term portion of long-term loans and interest accruals			(6,454,277)
			21,119,230

As of September 30, 2024, detail of discounted amounts of long-term bonds issued is given below:

Currency	Effective interest rate per annum (%)	Original currency	TRY equivalent
US Dollar	8.5	498,695,511	17,000,530
Euro	3.0	353,568,061	13,441,950
Turkish Lira	46.2	6,355,783,601	6,355,784
			36,798,264
Short-term portion of long-term bonds and interest accruals			(4,647,830)
			32,150,434

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

As of December 31, 2023, detail of discounted amounts of long-term bonds issued is given below:

Currency	Effective interest rate per annum (%)	Original currency	TRY Equivalent
US Dollar	8.5	508,493,573	20,337,120
Euro	3.0	356,202,655	15,763,754
Turkish Lira	28.3	692,300,000	940,560
			37,041,434
Interest accruals of long-term bonds issued			(1,644,770)
			35,396,664

The payment schedule of the principal amounts of long-term bank borrowings and bonds is as follows:

	September 30, 2024	December 31, 2023
2025	3,046,256	4,524,435
2026	19,326,887	19,758,021
2027	17,191,220	3,658,664
2028 to 2034	25,442,190	28,574,774
	65,006,553	56,515,894

The analysis of borrowings and bonds issued in terms of periods remaining to contractual re-pricing dates is as follows:

	September 30, 2024	December 31, 2023
Up to 3 months	18,942,443	51,014,004
3 - 12 months	33,687,989	22,839,985
1-5 years	63,228,160	51,716,050
Over 5 years	1,855,704	4,656,422
	117,714,296	130,226,461

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

As of September 30, 2024, and 2023, financial liabilities movements are as follows:

2024	Lease Liabilities	Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
Financial liabilities as of January 1	(5,177,759)	(76,761,003)	(56,515,894)	(138,454,656)
Cash flows	2,882,639	1,852,002	(18,299,947)	(13,565,306)
Transfers	-	(1,191,923)	1,191,923	-
Changes in interest accruals	(623,288)	681,442	-	58,154
Changes in factoring liabilities	-	(78,111)	-	(78,111)
Changes in lease liabilities	(2,161,067)	-	-	(2,161,067)
Acquisitions (Note 3)	(5,808,505)	-	-	(5,808,505)
Currency translation adjustments	920,429	7,241,677	(5,846,553)	2,315,553
Inflation adjustments	209,790	13,101,133	14,463,918	27,774,841
Financial liabilities as of September 30	(9,757,761)	(55,154,783)	(65,006,553)	(129,919,097)

2023	Lease Liabilities	Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
Financial liabilities as of January 1	(5,134,584)	(77,522,420)	(32,495,204)	(115,152,208)
Cash flows	1,802,194	(6,581,017)	(19,594,908)	(24,373,731)
Transfers	-	(1,455,097)	1,455,097	-
Changes in interest accruals	(337,842)	1,791,891	-	1,454,049
Changes in factoring liabilities	-	165,537	-	165,537
Changes in lease liabilities	(2,063,367)	-	-	(2,063,367)
Currency translation adjustments	229,305	2,571,098	(13,016,190)	(10,215,787)
Inflation adjustments	164,135	11,654,357	13,171,523	24,990,015
Financial debt as of September 30	(5,340,159)	(69,375,651)	(50,479,682)	(125,195,492)

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NOTE 8 - DERIVATIVE INSTRUMENTS

Valuation of outstanding derivative instruments which were transacted by the Group for foreign exchange risk management purposes are made through marketing to market value at the date of valuation and the fair value of these instruments are disclosed as asset or liability in the statement of financial position.

	September 30, 2024			December 31, 2023		
	Contract amount	Fair value assets	Fair value /(liabilities)	Contract amount	Fair value assets	Fair value /(liabilities)
Short-term derivative instruments						
Held for trading:						
Foreign currency forward transactions						
	78,770,864	122,787	(688,619)	68,159,378	495,696	(124,043)
Foreign currency swap contracts						
	53,283,943	308,836	(318,557)	31,014,913	120,212	(50,499)
Short-term derivative instruments, net						
		431,623	(1,007,176)		615,908	(174,542)
Long-term derivative instruments						
Cash flow hedge:						
Cross currency swap contracts (*)						
	27,868,441	-	(928,638)	32,565,267	-	(1,056,190)
Long-term derivative instruments, net						
		(928,638)			(1,056,190)	

(*) The currency swap transaction is a swap transaction involving the exchange of a 400 million US dollar-denominated bond issued abroad on September 25, 2023, with a maturity date of September 25, 2028, for an Euro-denominated bond for the purpose of hedging against currency risk.

The Group converted its USD 400 million nominal value bond issue into EUR through a foreign currency swap transaction. The foreign currency swap transaction is used as a hedging tool against parity risk exposure due to highly probable estimated EUR-based sales revenues and cash flow hedge accounting is applied. Accordingly, the amount of the related bond liability as of September 30, 2024 is TRY 13,636,000. The after-tax impact recorded in the "gains/(losses) from cash flow hedges" account in the other comprehensive income statement for the nine months period ended September 30, 2024 related to this transaction is TRY 442,701.

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

	September 30, 2024	December 31, 2023
Short-term trade receivables:		
Trade receivables	105,572,217	86,793,068
Notes receivables	2,573,199	3,912,401
Cheques receivables	2,628,269	1,626,747
Short-term trade receivables (gross)	110,773,685	92,332,216
Provision for expected credit loss	(1,796,919)	(1,027,437)
Unearned credit finance income	(2,645,469)	(1,712,058)
Short-term trade receivables (net)	106,331,297	89,592,721

As of September 30, 2024, the Group has offsetted TRY 9,377,633 (December 31, 2023: TRY 8,870,113) from trade receivables that are collected from factoring companies as part of the non-recourse factoring.

In line with the general financial market convention in Pakistan, Dawlance has hypothecation on its trade receivables amounting to TRY 426,041 related with its local bank borrowings (December 31, 2023: TRY 491,308).

The movements of expected credit loss for the nine months period ended September 30, are as follows:

	2024	2023
As of January, 1	1,027,437	1,706,059
Current year additions (Note 22)	190,795	161,291
Provisions no longer required (Note 22)	(134,453)	(18,957)
Acquisitions (Note 3)	1,018,551	5,037
Write-offs (*)	(83,045)	(635,560)
Currency translation differences	(173,714)	(134,680)
Inflation adjustments	(48,652)	(106,026)
As of September, 30	1,796,919	977,164

(*) Doubtful receivables, for which no possibility of collection is foreseen, and no further cash inflow are expected, are written off from the records along with the related provisions.

	September 30, 2024	December 31, 2023
Long-term trade receivables		
Trade receivables	61,963	80,432
Unearned credit finance income	(6,626)	(34,074)
	55,337	46,358

	September 30, 2024	December 31, 2023
Short-term trade payables:		
Trade payables	93,212,253	63,132,297
Debt accruals	7,565,528	4,672,728
Unearned credit finance charges	(1,318,624)	(1,262,610)
	99,459,157	66,542,415

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NOTE 10 - OTHER PAYABLES

	September 30, 2024	December 31, 2023
Taxes and duties payable	4,375,599	4,775,427
Dividend payables to shareholders	40,744	48,477
Deposits and guarantees received	41,226	47,498
Other	1,068,630	564,428
	5,526,199	5,435,830

NOTE 11 - INVENTORIES

	September 30, 2024	December 31, 2023
Raw materials and supplies	33,919,126	26,062,333
Work in progress	2,524,251	2,143,601
Finished goods	37,565,152	35,718,101
Trade goods	8,805,797	1,408,632
Inventories (gross)	82,814,326	65,332,667
Provision for impairment on inventories	(1,263,313)	(868,726)
Inventories (net)	81,551,013	64,463,941

In line with the general financial market convention in Pakistan, Dawlance has hypothecation on its inventories amounting to TRY 340,430 related with its local bank borrowings (December 31, 2023: TRY 540,375).

NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024		December 31, 2023	
	%	TRY	%	TRY
Koç Finansman	47.0	899,925	47.0	849,429
Arçelik – LG	45.0	847,905	45.0	749,477
VoltBek	49.0	548,884	49.0	274,459
Ram Dış Ticaret	33.5	55,628	33.5	104,921
		2,352,342		1,978,286

The movements of associates for the nine months period ended September 30, are as follows:

	2024	2023
As of January 1	1,978,286	2,785,050
Shares of income/loss of associates	(232,419)	(536,935)
Shares of other comprehensive income/loss of associates	(3,181)	(11,529)
Gross profit elimination on inventory	31,856	24,615
Share participation in associates	495,156	-
Cash dividend from associates	(52,280)	(33,324)
Currency translation difference	134,924	128,378
As of September 30	2,352,342	2,356,255

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NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Shares of income/loss from investments accounted for using the equity method:

	1 January- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2024	1 July - 30 September 2023
Koç Finansman	75,069	(39,294)	37,342	(60,812)
Ram Dış Ticaret	(22,707)	46,064	7,860	27,172
Arçelik-LG	70,872	(66,270)	105,892	(167,443)
VoltBek	(355,653)	(477,435)	(130,723)	(134,457)
	(232,419)	(536,935)	20,371	(335,540)

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	2024	2023
As of January 1		
Cost	146,175,177	143,702,165
Accumulated depreciation	(85,594,024)	(85,470,193)
Net carrying value	60,581,153	58,231,972
Net carrying value at the beginning of the period	60,581,153	58,231,972
Additions	12,785,114	9,470,232
Acquisitions (Note 3)	29,871,065	90,182
Disposals	(539,640)	(362,021)
Transfers	(605,778)	(101,029)
Currency translation differences	(5,912,029)	(3,573,833)
Depreciation for the period	(8,992,177)	(7,210,898)
Net carrying value at the end of the period	87,187,708	56,544,605
As of September 30		
Cost	176,734,925	147,291,370
Accumulated depreciation	(89,547,217)	(90,746,765)
Net carrying value	87,187,708	56,544,605

As of September 30, 2024, the net book value of the right of use assets classified under tangible assets is TRY 8,867,488 (September 30, 2023: TRY 5,660,454).

Additions to rights-to-use assets for the nine months period ended September 30, 2024 TRY 2,448,723 (September 30, 2023: TRY 2,250,236), depreciation expenses are TRY 2,664,216 (September 30, 2023: TRY 1,293,777).

There is no mortgage on property, plant and equipment as of September 30, 2024 (December 31, 2023: None).

The total of depreciation expenses capitalized in 2024 is TRY 61,670 (2023: TRY 67,892).

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NOTE 14 - OTHER INTANGIBLE ASSETS

	2024	2023
As of January 1		
Cost	48,786,267	45,390,537
Accumulated amortization	(21,750,870)	(19,447,508)
Net carrying value	27,035,397	25,943,029
Net carrying value at the beginning of the period	27,035,397	25,943,029
Additions	3,871,364	3,030,115
Acquisitions (Note 3)	9,988,789	891,025
Disposals	(1,139)	(30,032)
Transfers	605,778	101,029
Currency translation differences	(2,323,094)	(942,857)
Amortization for the period	(2,591,180)	(1,926,902)
Net carrying value at the end of the period	36,585,915	27,065,407
As of September 30		
Cost	59,702,491	48,086,924
Accumulated amortization	(23,116,576)	(21,021,517)
Net carrying value	36,585,915	27,065,407

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NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As of September 30, 2024, export commitments from Turkey under the scope of inward processing authorization certificates as export incentives amounts to full USD 1,945,827,151 (December 31, 2023: USD 339,837,400). In case that the related tax advantages are not utilized, it is possible to close of the certificates including export commitments without any sanctions.

	September 30, 2024	December 31, 2023
Collaterals obtained	39,897,434	34,987,384

Collaterals/ pledges/ mortgages/bill of guarantees (“CPMB”) position of the Group as of September 30, 2024 and December 31, 2023 are as follows:

CPMB’s given by the Company	September 30, 2024	December 31, 2023
A, CPMB’s given for Company’s own legal personality	10,838,928	6,644,789
B, CPMB’s given on behalf of fully consolidated companies	27,233,544	13,253,608
C, CPMB’s given on behalf of third parties for ordinary course of business	-	-
D, Total amount of other CPMB’s	-	-
i) Total amount of CPMB’s given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB’s given on behalf of other Group companies which are not in scope of B and C	-	-
iii) Total amount of CPMB’s given on behalf of third parties which are not in scope of C	-	-
Total	38,072,472	19,898,397

TRY equivalents of CPMB given as of September 30, 2024 and December 31, 2023 are as follows on original currency basis are as follows:

CPMB's given by the Company	September 30, 2024	December 31, 2023
Turkish Lira	1,048,888	812,442
Euro	21,989,452	4,325,942
US Dollar	6,591,886	8,988,375
Other currencies	8,442,246	5,771,638
	38,072,472	19,898,397

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NOTE 16 - OTHER PROVISIONS

	September 30, 2024	December 31, 2023
Other short-term provisions		
Warranty provision	4,314,733	3,434,688
Provision for lawsuit risks ^(*)	2,956,247	126,560
Reimbursement for transportation costs	1,670,588	1,535,163
Assembly cost reimbursement	1,567,846	1,630,715
Other	1,955,110	1,897,453
	12,464,524	8,624,579
Other long-term provisions		
Warranty provision	2,744,334	1,519,245
Provision for lawsuit risks ^(*)	1,171,218	749
Other	241,228	174,146
	4,156,780	1,694,140

^(*) In connection with the merger of Whirlpool Euro Holdings B.V., there has been an increase in the comparative period due to litigation risks associated with the relevant company.

NOTE 17 - PREPAID EXPENSES

	September 30, 2024	December 31, 2023
Short-term prepaid expenses		
Prepaid expenses for following months	4,577,286	2,167,608
Advances given for inventories	1,453,009	1,081,022
	6,030,295	3,248,630
Advances given for property, plant and equipment	5,869,118	6,446,070
Other	714,480	367,730
	6,583,598	6,813,800

NOTE 18 - CURRENT INCOME TAX ASSETS

	September 30, 2024	December 31, 2023
Prepaid taxes and funds	1,782,783	2,345,335
	1,782,783	2,345,335

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NOTE 19 - EMPLOYEE BENEFIT OBLIGATIONS

	September 30, 2024	December 31, 2023
Payables to personnel	5,286,331	3,775,126
Social security payables	1,862,839	1,506,594
Accruals for bonuses and premiums	1,616,590	500,389
	8,765,760	5,782,109

NOTE 20 - OTHER ASSETS AND LIABILITIES

	September 30, 2024	December 31, 2023
Other current assets:		
Value added tax and private consumption tax receivable	3,005,744	3,047,937
Taxes and funds deductible	1,886,475	825,021
Advances given	673,904	399,850
Income accruals	542,275	271,939
Deposits and guarantees given	299,136	201,835
Other	882,776	229,789
	7,290,310	4,976,371

	September 30, 2024	December 31, 2023
Other current liabilities:		
Accruals for customer premiums	16,598,236	11,382,123
Value added tax and special consumption tax payables	2,015,197	69
Advances received	1,352,796	2,277,723
Deferred income	690,433	774,989
Other	627,499	168,501
	21,284,161	14,603,405

	September 30, 2024	December 31, 2023
Other long-term liabilities:		
Deffered income	5,054,658	4,596,002
Liabilities related to acquisitions (*)	3,676,796	5,251,630
Other	315,060	341,275
	9,046,514	10,188,907

(*) The consideration transferred determined within the scope of the acquisition of all shares of IHP Appliances JSC and IHP Appliances Sales LLC, dated August 31, 2022, reflects their fair value as of September 30, 2024 and December 31, 2023. (Note 30)

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NOTE 21 - EQUITY

Paid-in capital

The Company adopted the registered share capital system available to companies registered to the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of kurus1, Registered and issued share capital of the Company is as follows:

	September 30, 2024	December 31, 2023
Limit on registered share capital	1,500,000	1,500,000
Issued share capital in nominal value	675,728	675,728

Companies in Turkey may exceed the limit on registered share capital in the event of the issuance of bonus shares to existing shareholders,

The shareholding structure of the Company is as follows:

	September 30, 2024		December 31, 2023	
	Share (%)	Amount	Share (%)	Amount
Shareholders				
Koç Holding A.Ş.	41,43	279,929	41,43	279,929
Temel Ticaret ve Yatırım A.Ş.	2,75	18,577	2,75	18,577
Koç Family Members	8,67	58,590	8,67	58,590
Total Koç Family members and companies owned by Koç Family members	52,85	357,096	52,85	357,096
Teknosan Büro Makine ve Levazımı Ticaret ve Sanayi A.Ş.	12,05	81,428	12,05	81,428
Burla Ticaret ve Yatırım A.Ş.	5,56	37,572	5,56	37,572
Koç Holding Emekli ve Yardım Sandığı Vakfi	4,27	28,863	4,27	28,863
Vehbi Koç Vakfi	0,12	809	0,12	809
Treasury shares (*)	10,19	68,876	10,19	68,876
Other	14,96	101,084	14,96	101,084
Paid-in capital	100,00	675,728	100,00	675,728
Adjustment to share capital (**)		21,482,059		21,482,059
Total share capital		22,157,787		22,157,787

(*) The above amount is related to the shares that buyback and are publicly listed the Group.

(**) Capital adjustment differences represent the disparity between the total amount of cash and cash equivalents added to capital after adjustment for inflation accounting and the amount before such adjustment. Capital adjustment differences have no use other than being added to capital.

All shareholders of the Company have equal rights and there are no preference shares outstanding.

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NOTE 21 - EQUITY (Continued)

The historical values and inflation adjustment effects of the following equity accounts under the Company's balance sheet, in accordance with IFRS and Tax Law financial statements, as of September 30, 2024, are as follows:

September 30, 2024 (IFRS)	Historical value	Inflation adjustment effect	Indexed value
Capital	675,728	21,482,059	22,157,787
Reserves for treasury shares	3,095,543	7,747,175	10,842,718
Legal reserves	887,707	5,400,959	6,288,666
Other reserves	10,687	18,804	29,491

September 30, 2024 (TAS)	Historical value	Inflation adjustment effect	Indexed value
Capital	675,728	18,944,144	19,619,872
Reserves for treasury shares	3,095,543	7,872,034	10,967,577
Legal reserves	887,707	9,119,289	10,006,996
Other reserves	10,687	21,324	32,011

Repurchased shares

Pursuant to the share repurchase program initiated by the Board of Directors' resolution dated July 1, 2021, and continued by the Board of Directors' resolution dated May 24, 2022, as of September 30, 2024, a total of 68,876 shares with a nominal value of TL 68,876, representing 10.19% of the company's share capital, were repurchased for a total consideration of TL 10,842,718 including transaction costs (December 31, 2023: TL 10,842,718). There were no sales of repurchased shares as of the report date.

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NOTE 21 - EQUITY (Continued)

Restricted reserves

The Turkish Commercial Code (“TCC”) stipulates that the legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

The details of these restricted reserves are as follows:

	September 30, 2024	December 31, 2023
Legal reserves	6,288,666	6,288,666
Reserves for treasury shares	10,842,718	10,842,718
Other reserves	29,491	29,491

Dividend 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 interim 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.

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NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	January 1- September 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September 30, 2023
Other income from operating activities:				
Foreign exchange gains arising from				
trading activities	8,204,092	12,518,941	2,967,692	2,430,835
Income from claims and grants	459,576	337,397	254,949	101,066
Credit finance income arising from trading activities	185,962	227,951	46,164	66,097
Expected credit loss provisions no longer required (Note 9)	134,453	18,957	15,170	1,713
Other (*)	37,497	50,623	18,573	14,649
	9,021,580	13,153,869	3,302,548	2,614,360
Other expenses from operating activities:				
Foreign exchange losses arising from trading activities	(6,983,019)	(12,704,118)	(2,885,634)	(2,996,372)
Credit finance charges arising from trading activities	(4,107,849)	(3,056,349)	(1,645,166)	(892,301)
Restructuring cost expenses (*)	(909,106)	-	(909,106)	-
Provision for expected credit loss (Note 9)	(190,795)	(161,291)	(37,186)	(40,170)
Other	(322,730)	(557,028)	(96,682)	(496,976)
	(12,513,499)	(16,478,786)	(5,573,774)	(4,425,819)

(*) Expenses related to the Group's restructuring activities have been categorized as restructuring expenses in the report and are detailed below;

	January 1- September 30, 2024
Restructuring cost expenses:	
Severance and supplier restructuring	(546,940)
Supplier obsolescences and building leaseback	(94,289)
Inventory write-off	(86,746)
Decommissioning	(75,432)
External services	(64,117)
Other	(41,582)
	(909,106)

As part of the restructuring processes announced on the Public Disclosure Platform and initiated in some of its factories and subsidiaries, the costs that can be reliably estimated have been accounted for in the profit or loss and other comprehensive income statement for the period ended September 30, 2024, together with the financial statements as of the same date. In addition to these amounts, the Group has restructuring obligations that cannot be reliably estimated as of the reporting date, and it is expected that the relevant amounts will be reliably estimated and reflected in the financial statements as of December 31, 2024.

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NOTE 23 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	January 1- September, 30, 2024	January 1- September, 30, 2023	July 1- September 30, 30, 2024	July 1- September 30, 30, 2023
Income from investment activities:				
Income from change of contingent liabilities (*)	1,056,944	-	-	-
Income from sales of property plant and equipment	34,667	47,537	9,006	13,147
Gains from sales of financial assets	19,286	-	-	-
Dividends received from financial investments	2,184	-	-	-
	1,113,081	47,537	9,006	13,147
Expenses from investment activities:				
Loss from sales of property plant and equipment	(165,210)	(66,719)	(24,428)	(11,171)
	(165,210)	(66,719)	(24,428)	(11,171)

(*) The contingent purchase consideration for IHP Appliances JSC and IHP Appliances Sales LLC, the acquisitions of which were completed on August 31, 2022, is reflected in the financial statements at fair value. Due to changes in market conditions and market circumstances, the fair value of the contingent liability has decreased compared to previous reporting periods. The resulting change in value has been recognized as income in the financial statements.

NOTE 24 - FINANCIAL INCOME

	January 1- September, 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September 30, 2023
Foreign exchange gains (*)	12,467,624	9,597,451	4,572,839	1,614,585
Interest income	2,185,294	1,588,268	590,195	669,616
Gains on derivative instruments	1,829,094	11,903,993	611,271	3,776,155
Other	474,804	842,058	39,188	547,920
	16,956,816	23,931,770	5,813,493	6,608,276

(*) Foreign exchange gains are related to cash and cash equivalents, financial borrowings and other financial liabilities.

NOTE 25 - FINANCIAL EXPENSES

	January 1- September, 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September 30, 2023
Foreign exchange losses (*)	(16,287,474)	(20,116,594)	(5,494,297)	(2,697,798)
Interest expenses (**)	(10,054,149)	(7,786,725)	(4,746,452)	(3,306,775)
Losses on derivative instruments	(5,650,085)	(6,508,624)	(1,831,605)	(4,509,876)
Interest expense from contingent liability	(374,361)	(476,034)	(98,254)	(141,434)
Other	(1,787,447)	(976,128)	(796,649)	(93,782)
	(34,153,516)	(35,864,105)	(12,967,257)	(10,749,665)

(*) Foreign exchange losses are related to cash and cash equivalents, financial borrowings and other liabilities.

(**) TRY 623,288 of the interest expenses consists of the interest expense on the lease liabilities (2023: TRY 337,842).

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NOTE 26 - TAX ASSETS AND LIABILITIES

	September 30, 2024	December 31, 2023
Corporation and income taxes	1,095,369	1,506,352
Prepaid tax	(974,710)	(933,242)
Tax liabilities (net)	120,659	573,110
Deferred tax assets	23,142,896	11,182,747
Deferred tax liabilities	(6,185,304)	(4,603,051)
Deferred tax assets, net	16,957,592	6,579,696

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The corporation tax rate is 25% in Turkey (December 31, 2023: 25%), Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

Income tax expense for the nine months period ended September 30 is as follows:

	January 1- September 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September, 30, 2023
Tax income/(expense)				
- Current period tax expense	(1,695,668)	(2,932,020)	(117,897)	(1,074,983)
- Deferred tax income	2,669,089	(826,214)	1,155,549	(2,021,783)
Total tax income/(expense), net	973,421	(3,758,234)	1,037,652	(3,096,766)

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their statement of financial position accounts prepared in accordance with TAS/IFRS promulgated by POA Financial Reporting Standards and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for TAS/IFRS and Tax Laws.

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NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/liabilities provided using principal tax rates is as follows:

	Cumulative taxable (deductible) temporary differences		Deferred tax assets/ (liabilities)	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Property, plant and equipment and intangible assets	17,566,614	27,236,409	(4,827,285)	(6.631.204)
Unused tax credits (*)	-	-	4,259,614	3.431.167
Provision for expected credit lose	(434,487)	(574,273)	115,177	169.559
Inventories	(7,368,093)	(1,503,627)	2,038,670	646.044
Provision for warranty, assembly and transportation expenses	(5,002,622)	(8,790,144)	1,206,351	2.154.450
Provision for employment termination benefits	(4,679,019)	(5,509,817)	1,086,366	1.198.110
Cost and expense provisions	(11,309,864)	(8,040,615)	2,483,477	1.774.335
Derivative instruments	(11,487,177)	(6,411,829)	2,882,929	1.527.115
Unused tax credits	(20,402,797)	(7,461,586)	7,168,606	2.159.839
Other	(959,589)	(1,932,344)	543,687	150.281
Deferred tax assets, net			16,957,592	6,579,696

Tax Advantages Obtained Under the Investment Incentive System:

(*) Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TRY 4,259,614 (December 31, 2023: TRY 3,431,167) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the condensed consolidated financial statements as of September 30, 2024, TRY 828,447 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 – September 30, 2024 from accounting of such deferred tax assets.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5 years from the balance sheet date.

In the sensitivity analysis performed as of September 30, 2024, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 5-year recovery periods of deferred tax assets related to investment incentives.

ARÇELİK ANONİM ŞİRKETİ

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NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

Movements in deferred tax asset / (liabilities) for the period ended September 30 are as follows:

	2024	2023
Balance as of January 1	6,579,696	606,475
Deferred tax income recognized		
in statement of profit or loss	2,669,089	(826,214)
Deferred tax income recognized directly in the equity	629,845	1,252,309
Acquisitions (Note 3)	7,527,242	(226,426)
Currency translation differences	(448,280)	(23,242)
Balance as of September 30	16,957,592	782,902

Subsidiaries accumulated and undistributed profits are being used in financing investments and working capital requirements, and the dividend payments are subject to Group management’s approval. Complete distribution of these accumulated profits is not anticipated as of balance sheet date, and consequently no resulting deferred tax liability is accrued.

NOTE 27 - EARNINGS PER SHARE

Earnings per share disclosed in the condensed consolidated statements of income are determined by dividing the net income per share by the weighted average number of shares that have been outstanding during the year.

The Companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. In earnings per share calculation, this bonus share issuance is accepted as shares issued. Hence, weighted average stock share, which is used in the calculation of earnings per share, is acquired by retrospective application of bonus share issue.

Earnings per share are as follows:

	January 1- September 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September, 30, 2023
Profit for the year attributable to equity holders of the parent	(5,006,003)	4,519,374	(5,001,552)	1,244,748
Weighted average number of ordinary shares with nominal value (kurus1 per value) (*)	60,685,191,700	60,685,191,700	60,685,191,700	60,685,191,700
Earnings per share (kurus)	(8.249)	7.447	(8.242)	2.051

(*) Further details for the treasury shares please refer to Note 21.

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NOTE 28 - RELATED PARTY DISCLOSURES

(i) Balances with related parties

	September 30, 2024	December 31, 2023
(a) Due from related parties:		
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	376,969	80,434
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	204,098	406,321
Wat Motor Sanayi ve Ticaret A.Ş. (“Wat Motor”) ⁽¹⁾	100,885	231,945
Setur Servis Turistik A.Ş. ⁽¹⁾	41,511	-
Other	79,507	63,383
	802,970	782,083
	September 30, 2024	December 31, 2023
(b) Due to related parties:		
<i>Short-term trade payables</i>		
Arçelik-LG ⁽³⁾	2,265,367	1,814,227
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	2,456,953	2,942,973
Ram Dış Ticaret A.Ş. ⁽²⁾	681,456	925,615
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ⁽¹⁾	175,891	205,035
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	114,793	112,945
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	24,996	394,250
İngage Dijital Pazarlama Hizmetleri A.Ş. ⁽¹⁾	3,112	353,835
Other	62,634	351,549
	5,785,202	7,100,429

⁽¹⁾ Koç Holding group companies

⁽²⁾ Associates

⁽³⁾ Joint venture

(c) Deposits:

	September 30, 2024	December 31, 2023
Yapı ve Kredi Bankası A.Ş. and its subsidiaries ⁽¹⁾	355,923	898,791

(d) Derivative instruments

	Contract amount	Fair value assets/(liabilities)
September 30, 2024		
Yapı ve Kredi Bankası A.Ş. and its subsidiaries	-	-
	Contract Amount	Fair value assets/(liabilities)
December 31, 2023		
Yapı ve Kredi Bankası A.Ş. and its subsidiaries	13,680,534	211,429 (2,477)

ARÇELİK ANONİM ŞİRKETİ

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

(ii) Transactions with related parties

	January 1- September 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September 30, 2023
(a) Sales of goods and services:				
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	1,574,800	1,037,803	283,831	305,014
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	443,290	265,722	99,729	75,422
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	516,754	812,917	180,859	285,036
Arçelik-LG ⁽⁴⁾	320,090	194,865	302,554	132,816
WAT Motor ⁽¹⁾	82,702	267,368	29,906	62,128
Other	119,414	221,779	72,518	87,397
	3,057,050	2,800,454	969,397	947,813
(b) Purchases of goods and services:				
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	10,386,879	10,969,995	3,866,097	5,275,813
Arçelik-LG ⁽⁴⁾	9,873,870	6,619,760	2,917,732	1,026,389
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	2,921,577	910,595	1,391,465	112,246
Ram Dış Ticaret ⁽³⁾	2,465,439	3,909,532	782,212	2,048,689
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ⁽¹⁾	830,016	828,308	246,212	413,194
Ingage Dijital Pazarlama Hizmetleri A.Ş.	556,069	499,504	189,466	236,642
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	473,465	404,454	148,556	82,590
Other	2,299,051	2,127,107	394,811	757,725
	29,806,366	26,269,255	9,936,551	9,953,288

The Group purchases direct and indirect materials and receives service from Zer Merkezi Hizmetler A.Ş. and Ram Dış Ticaret A.Ş.. The average payment term is around sixty days.

The Group purchases air conditioners produced by Arçelik-LG. Purchasing conditions are determined in line with sales conditions.

(1) Koç Holding group companies

(2) Main partner

(3) Associates

(4) Joint venture

(c) Key management compensation:

Senior executives of Arçelik A.Ş. are defined as the Chairman and Members of the Board of Directors, the General Manager, Deputy General Managers, and Directors directly reporting to the General Manager.

In the nine months period ended September 30, 2024, the total benefits provided to senior executives of Arçelik A.Ş. by our company and its subsidiaries, calculated on the basis of purchasing power as of September 30, 2024, amounted to TRY 304,503 (September 30, 2023: TRY 298,410).

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

(d) Other transactions:

	January 1- September 30, 2024	January 1- September 30, 2023	July 1- September 30, 2024	July 1- September 30, 2023
<i>Interest income:</i>				
Yapı ve Kredi Bankası A.Ş. and its subsidiaries	14,178	18,624	2,578	6,680

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. 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.

Hedging operations and derivative instruments

Liquidity Risk

The risk of failure in settling financial liabilities is eliminated by managing the condensed consolidated financial position statement and expected cash flows in harmony. In this context; the maturities of the financial liabilities are kept in line with the maturities of assets to eliminate any duration mismatch, to maintain short term liquidity with effective inventory term, trade receivables and trade payables term, net working capital objectives are set and condensed consolidated statement of financial position ratios are aimed to be kept at particular levels.

Cash flow estimations for midterm and long-term liquidity management of the Group are made by taking into account financial market and sector dynamics and cash flow cycle is observed and is tested by various scenarios.

Interest Rate Risk

Changes in interest rates create significant risks over financial results with due to the impact on interest sensitive assets and liabilities. These exposures are managed by establishing a fixed-floating balance in the condensed consolidated financial statements and balancing interest rate sensitive assets and maturity with inter balance sheet items and using derivative instruments when considered necessary.

In this context, matching of not only maturities of receivables and payables but also contractual repricing dates is crucial. In order to minimize the exposures to interest rate volatility, contractual repricing date of financial liabilities and receivables and “fixed interest/ floating interest”, “short-term/ long-term” balance within liabilities are structured coherently.

ARÇELİK ANONİM ŞİRKETİ

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

Funding risk

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

Credit risk

The Group is exposed to credit risk arising from receivables from credit financed sales and deposits with banks.

Credit risk of receivables from third parties is managed by securing receivables with collaterals covering receivables at the highest possible proportion, Methods used are as follows:

- Bank guarantees (guarantee letters, letter of credits etc.),
- Credit insurance (Global insurance policies, Eximbank and factoring insurance etc.),
- Mortgages,
- Cheques-notes negotiated,

In credit risk control, for the customers which are not secured with collaterals, the credit quality of the customer is assessed by taking into account its financial position, past experience and other factors, Individual risk limits are set in accordance and the utilization of credit limits is regularly monitored.

For banks, the ratings of the independent rating institutions are taken into consideration.

Same credit risk management principles are used for the management of the financial assets. Investments are made to instruments with highest liquidity and credit note of the company of transaction is taken into consideration.

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

Details of credit and receivable risk as of September 30, 2024 and December 31, 2023 are as follows:

September 30, 2024	Trade receivables			Derivative instruments
	Related parties	Third parties	Bank deposits	
Maximum exposed credit risk as of reporting date ⁽¹⁾	802,970	106,386,634	32,452,068	431,623
Secured portion of the maximum credit risk by guarantees, etc, ⁽²⁾	-	(84,627,315)	-	-
A, Net book value of financial asset either are not due or not impaired	802,970	102,832,914	32,452,068	431,623
-Secured portion by guarantees, etc,	-	(82,503,888)	-	-
B, Net book value of overdue but not impaired financial assets	-	3,460,313	-	-
- Secured portion by guarantees, etc,	-	(1,991,422)	-	-
C, Net book value of the impaired assets	-	132,005	-	-
- Overdue (Gross book value)	-	1,890,326	-	-
- Impairment (-)	-	(1,758,321)	-	-
- Secured portion of the net value by guarantees, etc,	-	(132,005)	-	-
D, Expected credit losses (-)	-	(38,598)	-	-
December 31, 2023	Trade receivables			Derivative instruments
Related parties	Third parties	Bank deposits		
Maximum exposed credit risk as of reporting date ⁽¹⁾	782,083	89,639,079	64,537,601	615,908
Secured portion of the maximum credit risk by guarantees, etc, ⁽²⁾	-	(71,447,631)	-	-
A, Net book value of financial asset either are not due or not impaired	782,083	86,698,112	64,537,601	615,908
-Secured portion by guarantees, etc,	-	(69,421,234)	-	-
B, Net book value of overdue but not impaired financial assets	-	2,969,379	-	-
- Secured portion by guarantees, etc,	-	(2,016,465)	-	-
C, Net book value of the impaired assets	-	9,932	-	-
- Overdue (Gross book value)	-	999,025	-	-
- Impairment (-)	-	(989,093)	-	-
- Secured portion of the net value by guarantees, etc,	-	(9,932)	-	-
D, Expected credit losses (-)	-	(38,344)	-	-

⁽¹⁾ Amounts showing the maximum credit risk exposed as of reporting date by excluding guarantees in hand and other factors that increase the credit quality.

⁽²⁾ Major part of guarantees is composed of mortgages and trade receivable insurances.

ARÇELİK ANONİM ŞİRKETİ

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

a) Credit quality of financial assets which are not overdue and not impaired,

	September 30, 2024	December 31, 2023
Group 1	2,716,959	1,265,970
Group 2	99,651,916	85,445,372
Group 3	1,267,009	768,853
	103,635,884	87,480,195

Group 1 - New customers (customers for a period less than 3 months).

Group 2 - Existing customers with no defaults in the past (customers for a period of more than 3 months).

Group 3 - Existing customers with some defaults in the past of which were fully recovered.

b) Aging analysis of the receivables which are overdue but not impaired

	September 30, 2024	December 31, 2023
0-1 month	2,295,176	1,715,937
1-3 months	348,331	521,606
3-12 months	493,841	382,651
1-5 years	322,965	349,185
	3,460,313	2,969,379

The Group has applied the simplified approach stated in TFRS 9 for the calculation of expected credit loss provision for trade receivables. This approach allows expected credit loss provision for all trade receivables. In order to measure expected credit losses, the Group appropriately classified its trade receivables based on maturity and credit risk characteristics. The expected credit loss ratio for each class of trade receivables, which is grouped using past loan loss experiences and forward-looking macroeconomic indicators, is calculated and the expected credit loss provision has been calculated by multiplying the determined rate and totals of trade receivable.

Description for the measurements as of September 30, 2024 is as follows;

September 30, 2024	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected loss rate (%)	0.004	0.11	0.40	1.31	
Gross carrying amount (*)	105,423,046	1,081,404	1,919,035	2,350,200	110,773,685
Expected credit lose	(4,042)	(1,179)	(2,643)	(30,734)	(38,598)

(*) Represents gross trade receivables excluding related party balances and impairment provisions.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

Description for the measurements as of December 31, 2023 is as follows;

December 31, 2023	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected credit loss rate (%)	0.003	0.10	0.13	1.71	
Gross carrying amount (*)	88,363,812	477,083	1,532,382	1,958,939	92,332,216
Expected credit loss	(2,227)	(495)	(2,094)	(33,528)	(38,344)

(*) Represents gross trade receivables excluding related party balances and impairment provisions.

Foreign exchange risk

Since the Group operates in a diverse geographical area, operations are performed using multiple currencies, Therefore, foreign exchange risk is one of the most significant financial risks that the Group is exposed to.

Trade relations between the Company and its subsidiaries are structured within the framework of relevant legislations and managed centrally by subsidiaries’ functional currencies. Thus, foreign currency risk born by the subsidiaries is minimized. It is aimed to set the ratio of foreign exchange risk position over equity at a predetermined interval.

The main principle of foreign currency risk management is to minimize the impact of foreign exchange fluctuations by maintaining foreign exchange asset position close to zero.

Inter balance sheet methods are preferred for the management of foreign currency risk as in other risk items. However, when necessary, derivative instruments are also used for maintaining foreign currency position at a predetermined level.

Foreign currency hedge of net investments in foreign operations

The Group designated some portion of the Euro dominated bonds issued and Ruble dominated contingent liabilities as a hedging instrument in order to hedge the foreign currency risk arisen from the translation of net assets of part of the subsidiaries operating in Europe and Russia from Euro and Ruble to Turkish Lira. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in equity in foreign currency hedge of net investments in foreign operations fund in order to net off the increment value fund arisen from the translation of the net assets of investments in foreign operations. As of September 30, 2024, a portion of bank borrowings amounting to EUR 500,000,000 and contingent liabilities RUB 10,056,607,451 (before tax) was designated as a net investment hedging instrument (December 31, 2023: EUR 210,000,000 and RUB 11,853,246,108 respectively).

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NOTE 29- FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

Foreign currency position

Assets and liabilities denominated in foreign currency held by the Group before consolidation adjustments are as follows:

	September 30, 2024	December 31, 2023
Assets	59,980,216	90,315,885
Liabilities	(118,010,942)	(130,331,882)
Net position of financial statement	(58,030,726)	(40,015,997)
Net position of derivative instruments	48,249,070	29,745,095
Foreign currency position (net)	(9,781,656)	(10,270,902)

Currencies, other than the functional currencies of the Company and its’ subsidiaries are accepted as foreign currencies. The original currencies are presented in thousands (‘000).

ARÇELİK ANONİM ŞİRKETİ

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of September 30, 2024 are as follows:

	EUR	USD	GBP	RUB	CNY	PLN	JPY	SGD	VND	Other Currency's TRY Equivalent	TRY Equivalent
Current Assets											
Trade receivables	377,654	365,262	49,542	5,467,050	228,535	87,856	1,259,895	4,149	1,167	1,565,328	34,927,113
Monetary financial assets	150,629	113,527	1,880	628,814	35,764	34,787	1,138,867	2,250	-	90,158	10,815,698
Other	16,109	47,169	13,194	-	-	87,011	-	1,919	-	480,818	4,128,470
Non Current Assets											
Trade receivables	163,633	87,527	19,613	-	-	-	-	-	-	8	10,097,995
Other	-	321	-	-	-	-	-	-	-	-	10,940
Total Assets	708,025	613,806	84,229	6,095,864	264,299	209,654	2,398,762	8,318	1,167	2,136,312	59,980,216
Current Liabilities											
Trade payables	457,441	717,769	4,054	84,686	160,698	145,001	105,667	1,918	-	509,929	44,730,268
Financial liabilities	227,545	248,855	-	-	21,987	-	-	-	-	20	17,240,558
Other monetary liabilities	12,240	13,673	51,652	10,056,607	4,406	226,002	244	342	2,700	1,737,066	10,741,752
Non-Current Liabilities											
Trade payables	27,500	2,293	-	-	-	-	-	-	-	-	1,123,651
Financial liabilities	666,874	552,097	-	-	-	-	-	-	-	-	44,174,195
Other monetary liabilities	-	7	-	-	-	-	1,205	-	-	-	518
Total Liabilities	1,391,600	1,534,694	55,706	10,141,293	187,091	371,003	107,116	2,260	2,700	2,247,015	118,010,942
Net Position of Financial Statement	(683,575)	(920,888)	28,523	(4,045,429)	77,208	(161,349)	2,291,646	6,058	(1,533)	(110,703)	(58,030,726)
Off-balance sheet derivative assets (*)	764,993	1,321,109	80,022	10,056,607	-	410,030	-	-	-	2,134,356	87,228,977
Off-balance sheet derivative liabilities (*)	(638,810)	(82,686)	(104,760)	(5,110,000)	(180,000)	(218,522)	(2,200,000)	(6,184)	-	(1,731,281)	(38,979,907)
Net position of off-balance sheet items	126,183	1,238,423	(24,738)	4,946,607	(180,000)	191,508	(2,200,000)	(6,184)	-	403,075	48,249,070
Net Asset/(Liability) Position of Foreign Currency	(557,392)	317,535	3,785	901,178	(102,792)	30,159	91,646	(126)	(1,533)	292,372	(9,781,656)
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(683,575)	(920,888)	28,523	(4,045,429)	77,208	(161,349)	2,291,646	6,058	(1,533)	(110,703)	(58,030,726)
Hedged Amount of Foreign Currency Assets	638,810	82,686	104,760	5,110,000	180,000	218,522	2,200,000	6,184	-	1,731,281	38,979,907
Hedged Amount of Foreign Currency Liabilities	764,993	1,321,109	80,022	10,056,607	-	410,030	-	-	-	2,134,356	87,228,977

(*) Some portion of EUR denominated bonds issued designated as hedging instrument against to the foreign currency risk arisen from the conversion of net investments in foreign operation at subsidiaries located in Europe, is included in off balance sheet derivative assets.

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

ARÇELİK ANONİM ŞİRKETİ

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2024, AND DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 September 2024 unless otherwise indicated.)

**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of December 31, 2023 are as follows:

	EUR	USD	GBP	RUB	CNY	PLN	JPY	SGD	VND	Other Currency's TRY Equivalent	TRY Equivalent (**)
Current Assets											
Trade receivables	427,200	425,567	51,133	1,381,115	356,527	55,682	1,096,363	5,083	1,167	1,226,322	43,393,796
Monetary financial assets	513,794	527,221	125	-	6,992	455	1,584,499	2,951	-	76,985	44,487,384
Other	2,714	46,112	-	-	-	-	-	2,004	-	11,486	2,036,650
Non Current Assets											
Trade receivables	1,114	8,720	-	-	-	-	-	-	-	-	398,055
Total Assets	944,822	1,007,620	51,258	1,381,115	363,519	56,137	2,680,862	10,038	1,167	1,314,793	90,315,885
Current Liabilities											
Trade payables	387,069	590,263	5,218	20,513	246,841	-	149,719	2,477	-	278,605	42,789,792
Financial liabilities	628,645	80,341	-	-	3,305	-	-	478	-	-	31,066,928
Other monetary liabilities	3,325	5,337	1	11,853,246	-	-	10,002	852	-	-	5,640,943
Non-Current Liabilities											
Trade payables	-	1,589	-	-	-	-	-	-	-	-	63,551
Financial liabilities	650,164	550,000	-	-	-	-	-	-	-	-	50,770,178
Other monetary liabilities	-	12	-	-	-	-	-	-	-	-	490
Total Liabilities	1,669,203	1,227,542	5,219	11,873,759	250,146	-	159,721	3,807	-	278,605	130,331,882
Net Position of Financial Statement	(724,381)	(219,922)	46,039	(10,492,644)	113,373	56,137	2,521,141	6,231	1,167	1,036,188	(40,015,997)
Off-balance sheet											
derivative assets (*)	766,726	749,229	13,000	11,853,246	-	-	-	-	-	253,229	70,062,911
Off-balance sheet											
derivative liabilities (*)	(582,458)	(145,350)	(60,500)	(1,450,000)	(360,500)	(45,000)	(2,540,000)	(7,893)	-	(1,574,311)	(40,317,816)
Net position of											
off-balance sheet items	184,268	603,879	(47,500)	10,403,246	(360,500)	(45,000)	(2,540,000)	(7,893)	-	(1,321,082)	29,745,095
Net Asset/(Liability) Position											
of Foreign Currency	(540,113)	383,957	(1,461)	(89,398)	(247,127)	11,137	(18,859)	(1,662)	1,167	(284,894)	(10,270,902)
Net Asset/(Liability) Position of Foreign											
Currency Monetary Items	(724,381)	(219,922)	46,039	(10,492,644)	113,373	56,137	2,521,141	6,231	1,167	1,036,188	(40,015,997)
Hedged Amount of Foreign Currency											
Assets	582,458	145,350	60,500	1,450,000	360,500	45,000	2,540,000	7,893	-	1,574,311	40,317,816
Hedged Amount of Foreign Currency											
Liabilities	766,726	749,229	13,000	11,853,246	-	-	-	-	-	253,229	70,062,911

(*) Some portion of EUR denominated bonds issued designated as hedging instrument against to the foreign currency risk arisen from the conversion of net investments in foreign operation at subsidiaries located in Europe, is included in off balance sheet derivative assets.

(**) Amounts expressed in thousands of TRY in terms of purchasing power of the TRY at September 30, 2024.

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**NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

As of September 30, 2024, and December 31, 2023, if related currencies had appreciated by 10% against TRY with all other variables held constant, profit before tax and other comprehensive income (before tax) as a result of foreign exchange losses on the translation of foreign exchange position is presented in the tables below. Secured portions include impact of derivative instruments.

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
September 30, 2024				
USD net asset/liability	(3,139,307)	3,139,307	(2,641,102)	2,641,102
Secured portion from USD risk	4,221,784	(4,221,784)	4,221,784	(4,221,784)
USD Net effect	1,082,477	(1,082,477)	1,580,682	(1,580,682)
EUR net asset/liability	(697,913)	697,913	(994,199)	994,199
Secured portion from EUR risk	(1,421,177)	1,421,177	479,723	(479,723)
EUR Net effect	(2,119,090)	2,119,090	(514,476)	514,476
GBP net asset/liability	129,896	(129,896)	156,120	(156,120)
Secured portion from GBP risk	(112,659)	112,659	(112,659)	112,659
GBP Net effect	17,237	(17,237)	43,461	(43,461)
JPY net asset/liability	54,436	(54,436)	54,436	(54,436)
Secured portion from JPY risk	(52,259)	52,259	(52,259)	52,259
JPY Net effect	2,177	(2,177)	2,177	(2,177)
PLN net asset/liability	(143,766)	143,766	(127,687)	127,687
Secured portion from PLN risk	170,637	(170,637)	170,637	(170,637)
PLN Net effect	26,871	(26,871)	42,950	(42,950)
RUB net asset/liability	219,775	(219,775)	833,635	(833,635)
Secured portion from RUB risk	(187,282)	187,282	180,853	(180,853)
RUB Net effect	32,493	(32,493)	1,014,488	(1,014,488)
VND net asset/liability	-	-	(61,749)	61,749
Secured portion from VND risk	-	-	-	-
VND Net effect	-	-	(61,749)	61,749
CNY net asset/liability	37,332	(37,332)	10,351	(10,351)
Secured portion from CNY risk	(87,019)	87,019	(87,019)	87,019
CNY Net effect	(49,687)	49,687	(76,668)	76,668
SGD net asset/liability	16,124	(16,124)	16,124	(16,124)
Secured portion from SGD risk	(16,460)	16,460	(16,460)	16,460
SGD Net effect	(336)	336	(336)	336
Other net asset/liability	(10,616)	10,616	1,780,516	(1,780,516)
Secured portion from other currency risk	40,308	(40,308)	40,308	(40,308)
Other Currency Net effect	29,692	(29,692)	1,820,824	(1,820,824)
	(978,166)	978,166	3,851,353	(3,851,353)

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
December 31, 2023				
USD net asset/liability	(879,575)	879,575	(199,086)	199,086
Secured portion from USD risk	2,415,204	(2,415,204)	2,415,205	(2,415,205)
USD Net effect	1,535,629	(1,535,629)	2,216,119	(2,216,119)
EUR net asset/liability	(2,276,393)	2,276,393	(3,462,186)	3,462,186
Secured portion from EUR risk	(113,877)	113,877	815,478	(815,478)
EUR Net effect	(2,390,270)	2,390,270	(2,646,708)	2,646,708
GBP net asset/liability	234,193	(234,193)	273,651	(273,651)
Secured portion from GBP risk	(241,625)	241,625	(241,625)	241,625
GBP Net effect	(7,432)	7,432	32,026	(32,026)
JPY net asset/liability	71,062	(71,062)	71,062	(71,062)
Secured portion from JPY risk	(71,595)	71,595	(71,595)	71,595
JPY Net effect	(533)	533	(533)	533
PLN net asset/liability	57,344	(57,344)	76,814	(76,814)
Secured portion from PLN risk	(45,967)	45,967	(45,967)	45,967
PLN Net effect	11,377	(11,377)	30,847	(30,847)
RUB net asset/liability	60,281	(60,281)	771,488	(771,488)
Secured portion from RUB risk	(64,243)	64,243	460,920	(460,920)
RUB Net effect	(3,962)	3,962	1,232,408	(1,232,408)
VND net asset/liability	-	-	(54,110)	54,110
Secured portion from VND risk	-	-	-	-
VND Net effect	-	-	(54,110)	54,110
CNY net asset/liability	63,478	(63,478)	30,645	(30,645)
Secured portion from CNY risk	(201,846)	201,846	(201,847)	201,847
CNY Net effect	(138,368)	138,368	(171,202)	171,202
SGD net asset/liability	18,910	(18,910)	18,910	(18,910)
Secured portion from SGD risk	(23,952)	23,952	(23,952)	23,952
SGD Net effect	(5,042)	5,042	(5,042)	5,042
Other net asset/liability	103,620	(103,620)	2,198,846	(2,198,846)
Secured portion from other currency risk	(132,110)	132,110	(132,110)	132,110
Other Currency Net effect	(28,490)	28,490	2,066,736	(2,066,736)
	(1,027,091)	1,027,091	2,700,541	(2,700,541)

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NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)

Import and exports performed to / from Turkey for the period ended as of September 30, 2024 and 2023 are as follows:

	September 30, 2024 TRY	September 30, 2023 TRY
Euro	30,497,000	34,185,282
US Dollar	12,474,860	12,311,646
British Pound	10,817,940	11,467,085
Other	10,112,814	10,279,434
Total exports	63,902,614	68,243,447
US Dollar	29,904,040	32,798,141
Euro	10,023,513	14,009,462
British Pound	82,306	52,666
Other	614,317	26,200
Total imports	40,624,176	46,886,469

NOTE 30 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Financial Assets

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

Financial Liabilities

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

As of September 30, 2024, the carrying value and the fair value of the long-term borrowings, including the short-term portions, are equal to TRY 75,196,729 (December 31, 2023: TRY 64,614,941) (Note 7) and TRY 81,218,384 (December 31, 2023: TRY 73,957,813) respectively. Fair value is calculated by discounting the cash out flows regarding due dates of borrowings considering the changing country risk premium and changes in market interest rates.

Contingent consideration from acquisition transactions

Group measures the contingent consideration liabilities arising from purchase/acquisition transactions at their fair value on its condensed consolidated financial statements. In this context, the contingent consideration liability in relation to the acquisition of IHP Appliances JSC and IHP Appliances Sales LLC, whose acquisitions have been completed as of August 31, 2022 are measured at fair value in the condensed consolidated financial statements as of September 30, 2024.

The contingent consideration liability is calculated by discounting the expected future cash flows of the acquired companies to date. Estimations on earnings before interest tax depreciation amortization (“EBITDA”), long term growth rate and discount rates are taken into account in the calculation of discounted future cash flows of the acquired companies. According to the Group's assessments, EBITDA growth rates are the key assumptions used in the calculation of the discounted contingent consideration liabilities.

Under the assumption of 1% increase/decrease in EBITDA growth rates as at September 30, 2024, all other variables held constant, the Group's contingent consideration liability would have been increased by TRY 336,398 /decreased by TRY 464,032.

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs, The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: Valuation techniques does not contain observable market inputs.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy table as of September 30, 2024 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 8)	-	431,623	-
Financial investments (Note 6)	8,497	67,144	106,839

Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 8)	-	(1,935,814)	-
Other long term liabilities (Note 20)	-	-	3,676,796

Fair value hierarchy table as of December 31, 2023 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 8)	-	615,908	-
Financial investments (Note 6)	31,514	54,015	107,039

Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 8)	-	(1,230,732)	-
Other long term liabilities (Note 20)	-	-	5,251,630

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NOTE 31 - SUPPLEMENTARY CASH FLOW INFORMATION

Statements of cash flows are presented within the condensed consolidated financial statements.

Details of “adjustments for provisions” and “adjustments for impairment loss” lines presented in the condensed consolidated statements of cash flows are as follows:

	1 January- September 30, 2024	1 January- September 30, 2023
Adjustments for provisions:		
Quota- incentive pay accruals	3,848,418	5,043,161
Provision for assembly and transportation cost	1,039,071	1,265,626
Warranty provision	667,574	600,420
Provision for employment termination benefits	484,144	618,973
Unused vacation	(83,326)	116,160
Accrual for bonuses and premiums	(82,062)	124,634
Other provisions	444,638	(46,769)
	6,318,457	7,722,205
Adjustments for impairment loss:		
Provision for impairment on inventories	(256,263)	189,216
Provision for expected credit lose	56,342	142,334
	(199,921)	331,550

NOTE 32 - EVENTS AFTER BALANCE SHEET DATE

None.