

**(CONVENIENCE TRANSLATION OF THE INDEPENDENT  
AUDITORS' REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**ARÇELİK ANONİM ŞİRKETİ**

**FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024  
CONSOLIDATED FINANCIAL STATEMENTS TOGETHER  
WITH INDEPENDENT AUDITOR'S REPORT**

# ARÇELİK ANONİM ŞİRKETİ

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

ARÇELİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	Audited	
		December 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	5	50,815,825	70,444,978
Trade receivables			
-Due from related parties	34	644,961	831,119
-Trade receivables, third parties	9	92,282,011	95,210,184
Other receivables			
-Other receivables, third parties		1,020,468	472,804
Derivative instruments	8	409,385	654,525
Inventories	11	71,723,427	68,505,830
Prepaid expenses	20	4,828,169	3,452,320
Current income tax assets	21	1,847,481	2,492,387
Other current assets	23	5,894,443	5,288,389
<b>Total current assets</b>		<b>229,466,170</b>	<b>247,352,536</b>
<b>Non-current assets:</b>			
Financial investments	6	234,939	204,642
Trade receivables			
-Trade receivables, third parties	9	34,849	49,265
Derivatives	8	34,852	-
Investments accounted for using the equity method	12	2,497,349	2,102,324
Property, plant and equipment	13	90,815,813	64,379,591
Intangible assets			
-Goodwill	15	8,546,899	10,495,331
-Other intangible assets	14	36,313,562	28,730,516
Prepaid expenses	20	5,511,914	7,241,025
Deferred tax assets	32	23,029,198	11,883,905
Other non-current assets		1,240,529	257,250
<b>Total non-current assets</b>		<b>168,259,904</b>	<b>125,343,849</b>
<b>Total assets</b>		<b>397,726,074</b>	<b>372,696,385</b>

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

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

ARÇELİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	Audited	
		December 31, 2024	December 31, 2023
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Short-term borrowings	7	51,378,198	74,336,432
Short-term portion of long-term borrowings	7	10,888,592	8,606,858
Trade payables			
-Due to related parties	34	5,627,766	7,545,626
-Trade payables, third parties	9	96,761,843	70,714,624
Derivative instruments	8	327,081	185,485
Employee benefit obligations	22	17,111,283	6,144,648
Other payables			
-Other payables, related parties		1,205	351,807
-Other payables, third parties	10	5,829,813	5,776,656
Current income tax liabilities	32	274,585	609,044
Provisions			
-Other provisions	18	13,573,681	9,165,340
Other current liabilities	23	19,463,402	15,519,038
<b>Total current liabilities</b>		<b>221,237,449</b>	<b>198,955,558</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	7	75,776,290	64,192,475
Provisions			
-Provision for employee benefits	19	7,422,998	4,909,333
-Other provisions	18	2,910,702	1,800,363
Derivative instruments	8	-	1,122,413
Deferred tax liabilities	32	4,683,062	4,891,662
Other non-current liabilities	23	10,631,980	10,827,752
<b>Total non-current liabilities</b>		<b>101,425,032</b>	<b>87,743,998</b>
<b>Total liabilities</b>		<b>322,662,481</b>	<b>286,699,556</b>

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

**(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
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**ARÇELİK ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	Audited	
		December 31, 2024	December 31, 2023
<b>EQUITY</b>			
Paid-in capital	24	675,728	675,728
Adjustment to share capital	24	22,871,352	22,871,352
Treasury shares	24	(11,522,557)	(11,522,557)
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		(4,063,228)	(3,369,800)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
-Currency translation differences		11,523,929	25,876,113
Gains/ losses on hedge			
-Gains/ losses on hedges of net investment in foreign operations		(14,864,268)	(13,391,066)
-Gains/ losses on cash flow hedges		(77,372)	(864,714)
Gains/(losses) from financial assets measured at fair value through other comprehensive income		3,394	23,513
Restricted reserves	24	18,236,862	18,236,862
Retained earnings		42,697,900	23,192,418
Net income for the period		1,689,082	19,505,482
Equity holders of the parent		67,170,822	81,233,331
Non-controlling interest		7,892,771	4,763,498
<b>Total equity</b>		<b>75,063,593</b>	<b>85,996,829</b>
<b>Total liabilities and equity</b>		<b>397,726,074</b>	<b>372,696,385</b>

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

ARÇELİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	Audited	
		2024	2023
Net sales	4,25	428,548,223	371,203,268
Cost of sales	26	(310,446,187)	(262,373,433)
<b>Gross profit</b>	4	<b>118,102,036</b>	<b>108,829,835</b>
General administrative expenses	26	(24,780,382)	(21,338,368)
Marketing expenses	26	(82,725,672)	(67,914,137)
Research and development expenses	26	(4,848,640)	(2,806,443)
Other income from operating activities	27	28,667,185	19,400,312
Other expenses from operating activities	27	(27,292,101)	(21,505,695)
<b>Operating profit</b>		<b>7,122,426</b>	<b>14,665,504</b>
Income from investment activities	28	1,219,527	73,391
Expenses from investment activities	28	(338,091)	(147,999)
Share of profit/loss of investments accounted for using the equity method	12	(176,070)	(695,070)
<b>Operating income before financial income/(expense)</b>		<b>7,827,792</b>	<b>13,895,826</b>
Financial income	29	22,050,502	32,620,625
Financial expenses	30	(47,298,830)	(50,457,758)
Net monetary position gain/(loss)	31	15,810,124	22,712,078
<b>Profit from continuing operations before tax</b>		<b>(1,610,412)</b>	<b>18,770,771</b>
<b>Tax income/(expense), continuing operations</b>			
- Taxes on expense	32	(1,409,767)	(2,759,020)
- Deferred tax income/(expense)	32	812,891	4,544,916
<b>Net income</b>		<b>(2,207,288)</b>	<b>20,556,667</b>
<b>Attributable to</b>			
Non-controlling interest		(3,896,370)	1,051,185
<b>Equity holders of the parent</b>		<b>1,689,082</b>	<b>19,505,482</b>
<b>Earnings per share (kurus)</b>	33	<b>2.783</b>	<b>32.142</b>

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**ARÇELİK ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	<b>Audited</b>	
	<b>2024</b>	<b>2023</b>
<b>Net income</b>	<b>(2,207,288)</b>	<b>20,556,667</b>
<b>Other comprehensive income</b>		
<b>Not to be reclassified to profit or loss</b>	<b>(901,562)</b>	<b>(1,332,699)</b>
Gain/ loss arising from defined benefit plans	(895,412)	(1,298,976)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	(6,150)	(33,723)
<b>Not to be reclassified to profit or loss, tax effect</b>	<b>208,134</b>	<b>285,560</b>
Gain/ loss arising from defined benefit plans, tax effect	208,134	285,560
<b>To be reclassified to profit or loss</b>	<b>(17,026,973)</b>	<b>(14,371,594)</b>
Currency translation differences	(16,208,496)	(7,004,179)
Other comprehensive income related with hedges of net investments in foreign operations	(1,964,271)	(6,029,294)
Other comprehensive income related with cash flow hedge	1,048,811	(1,192,580)
Share of other comprehensive income of investments accounted for using the equity method that will be reclassified to profit or loss	117,605	(124,044)
-Currency translation differences of investments accounted for using the equity method	117,605	(124,756)
-Gain/loss from cash flow hedges of investments accounted for using equity method	-	712
-Gains/(losses) from financial assets measured at fair value through other comprehensive income	(20,622)	(21,497)
<b>To be reclassified to profit or loss, tax effect</b>	<b>230,103</b>	<b>1,723,845</b>
Other comprehensive income related with hedges of net investments in foreign operations, tax effect	491,069	1,429,969
Other comprehensive income related with cash flow hedge, tax effect	(261,469)	293,797
Other comprehensive income related to financial assets with fair value difference reflected in other comprehensive income, tax effect	503	79
<b>Other comprehensive income/ (loss) (net of tax)</b>	<b>(17,490,298)</b>	<b>(13,694,888)</b>
<b>Total comprehensive income</b>	<b>(19,697,586)</b>	<b>6,861,779</b>
<b>Attributable to:</b>		
Non-controlling interest	(5,635,077)	878,141
<b>Equity holders of the parent</b>	<b>(14,062,509)</b>	<b>5,983,638</b>

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ARÇELİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 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					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	Equity holders of the parent	Non-controlling interest	
<b>Balance at January 1, 2023- Previously reported</b>	675,728	22,871,352	(11,522,557)	(2,322,661)	44,931	(8,758,384)	37,033,653	18,799,093	19,395,295	-	76,216,450	7,580,147	83,796,597
Restatement effect (Note 2.1)	-	-	-	-	-	-	(4,201,649)	-	6,652,610	-	2,450,961	(2,450,961)	-
<b>Balance at January 1, 2023- Restated</b>	675,728	22,871,352	(11,522,557)	(2,322,661)	44,931	(8,758,384)	32,832,004	18,799,093	26,047,905	-	78,667,411	5,129,186	83,796,597
Transfers	-	-	-	-	-	-	-	373,420	(373,420)	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(1,047,139)	(21,418)	(5,497,396)	(6,955,891)	-	-	19,505,482	5,983,638	878,141	6,861,779
Net income	-	-	-	-	-	-	-	-	-	19,505,482	19,505,482	1,051,185	20,556,667
<b>Other comprehensive income</b>	-	-	-	(1,047,139)	(21,418)	(5,497,396)	(6,955,891)	-	-	-	(13,521,844)	(173,044)	(13,694,888)
Dividends	-	-	-	-	-	-	-	(935,651)	(2,482,067)	-	(3,417,718)	(1,243,829)	(4,661,547)
<b>As of December 31, 2023</b>	675,728	22,871,352	(11,522,557)	(3,369,800)	23,513	(14,255,780)	25,876,113	18,236,862	23,192,418	19,505,482	81,233,331	4,763,498	85,996,829
<b>Balance at January 1, 2024</b>	675,728	22,871,352	(11,522,557)	(3,369,800)	23,513	(14,255,780)	25,876,113	18,236,862	23,192,418	19,505,482	81,233,331	4,763,498	85,996,829
Transfers	-	-	-	-	-	-	-	-	19,505,482	(19,505,482)	-	-	-
<b>Total comprehensive income</b>	-	-	-	(693,428)	(20,119)	(685,860)	(14,352,184)	-	-	1,689,082	(14,062,509)	(5,635,077)	(19,697,586)
Net income	-	-	-	-	-	-	-	-	-	1,689,082	1,689,082	(3,896,370)	(2,207,288)
<b>Other comprehensive income</b>	-	-	-	(693,428)	(20,119)	(685,860)	(14,352,184)	-	-	-	(15,751,591)	(1,738,707)	(17,490,298)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(1,128,046)	(1,128,046)
Acquisition of subsidiary (Note 3)	-	-	-	-	-	-	-	-	-	-	-	5,064,800	5,064,800
Transactions with non-controlling interests (Note 3)	-	-	-	-	-	-	-	-	-	-	-	4,827,596	4,827,596
<b>As of December 31, 2024</b>	675,728	22,871,352	(11,522,557)	(4,063,228)	3,394	(14,941,640)	11,523,929	18,236,862	42,697,900	1,689,082	67,170,822	7,892,771	75,063,593

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**ARÇELİK ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

	Notes	Audited	
		January 1- December 31, 2024	January 1- December 31, 2023
<b>Cash flows from operating activities:</b>			
<b>Net income:</b>		<b>(2,207,288)</b>	<b>20,556,667</b>
<i>Adjustments to reconcile net cash provided from operating activities to net income after taxes</i>			
Adjustments for depreciation and amortisation expense	26	16,549,997	12,582,692
Adjustments for impairment loss	37	(285,174)	447,932
Adjustments for other provisions	37	5,555,336	5,679,175
Adjustments for interest income	29	(2,949,159)	(2,707,300)
Adjustments for interest expense	30	16,024,137	11,458,009
Adjustments for income arised from government grants	27	(769,618)	(538,245)
Adjustments for unrealised foreign exchange losses (gains)		997,936	7,732,590
Adjustments for fair value (gains) losses on derivative financial instruments	29,30	4,489,194	(6,159,996)
Adjustments for undistributed profits of investments accounted for using equity method	12	176,070	695,070
Adjustments for tax expense/income	32	596,876	(1,785,896)
Adjustments for losses (gains) on disposal of non-current assets	28	145,022	75,044
Adjustment for bargained acquisition profit	27	(17,023,034)	-
Adjustments related to losses (gains) arising from the disposal of subsidiaries, joint ventures, and financial investments or changes in their shares	28	(13,164)	-
Adjustments related to provisions for restructuring (reversals)	27	11,840,803	-
Adjustments related to fair value losses (gains) of financial assets	28	112,546	-
Other adjustments to reconcile profit (loss)	29,30	2,486,003	99,843
Adjustments for dividend (income) loss	28	(2,626)	(436)
Adjustments for contingent liabilities	28,30	(629,232)	754,474
Monetary gain/(loss)		(28,272,629)	(37,563,193)
<b>Adjustments regarding net profit reconciliation for the period</b>		<b>6,821,996</b>	<b>11,326,430</b>
<b>Changes in operating assets and liabilities:</b>			
Adjustments for decrease (increase) in trade receivables		29,477,855	(14,831,415)
Adjustments for decrease (increase) in inventories		16,655,526	5,747,171
Decrease (increase) in prepaid expenses		(399,786)	(978,663)
Adjustments for increase (decrease) in trade payables		(25,819,599)	3,934,492
Increase (decrease) in employee benefit liabilities		(4,524,519)	572,635
Adjustments for increase (decrease) in other operating payables		(975,662)	2,392,648
Increase (decrease) in government grants and assistance		463,484	322,484
Other adjustments for other increase (decrease) in working capital		(6,414,024)	(7,793,364)
Income taxes refund (paid)		(895,570)	(1,173,249)
<b>Cash flows from operating activities</b>		<b>14,389,701</b>	<b>(480,831)</b>
<b>Investing activities:</b>			
Cash outflows from accusations/payments to gain control of subsidiaries	3	9,016,012	(1,851,493)
Cash outflows due to share acquisition or capital increase in affiliates and / or joint ventures	12	(526,203)	-
Cash outflows from purchases of property, plant and equipment and intangible assets	13,14	(23,796,042)	(18,533,286)
Cash inflows from sale of property, plant and equipment and intangible assets		674,980	932,893
Dividends received	12,28	58,192	35,849
Cash inflows due to sale of shares in associates or joint ventures or capital reduction	6	(167,966)	(16,936)
Cash inflows from the disposal of equity or debt instruments of other entities or funds		22,514	-
<b>Cash flows from investing activities</b>		<b>(14,718,513)</b>	<b>(19,432,973)</b>
<b>Financing activities:</b>			
Proceeds from borrowings	7	139,009,053	169,700,299
Repayments of borrowings	7	(121,092,117)	(146,861,447)
Bonds issued	7	7,575,890	30,385,163
Payments of lease liabilities	7	(4,383,374)	(2,790,664)
Dividends paid		(1,128,046)	(4,661,547)
Cash inflows from derivative instruments (net)		(4,158,393)	5,745,325
Interest paid		(15,170,927)	(11,640,263)
Interest received		2,891,896	2,807,182
Other inflows (outflows) of cash	29,30	(2,486,003)	(99,843)
<b>Cash flows from financing activities</b>		<b>1,057,979</b>	<b>42,584,205</b>
<b>Inflation impact on cash and cash equivalents</b>		<b>(9,245,971)</b>	<b>(15,710,319)</b>
<b>Net increase/(decrease) in cash and cash equivalents before currency translation differences</b>		<b>(8,516,804)</b>	<b>6,960,082</b>
Effect of currency translation differences		(11,169,612)	5,230,463
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(19,686,416)</b>	<b>12,190,545</b>
<b>Cash and cash equivalents at January 1</b>	5	<b>70,423,031</b>	<b>58,232,486</b>
<b>Cash and cash equivalents at December 31</b>	5	<b>50,736,615</b>	<b>70,423,031</b>

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**ARÇELİK ANONİM ŞİRKETİ**

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 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-five manufacturing plants in Turkey, Romania, Russia, China, Republic of South Africa, 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 24). The Company’s head office is located at: Karaağaç Caddesi No: 2-6 Sütlüce 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 December 31, 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 December 31, 2024, and December 31, 2023)

The average number of personnel employed by categories in the Group is 13,213 monthly paid (1 January - 31 December 2024: 9,992) and 38,230 hourly paid (1 January - 31 December 2023: 31,050) totaling to 51,443 (1 January - 31 December 2023: 41,042).

<b>Subsidiaries and branches</b>	<b>Country of incorporation</b>	<b>Core business</b>	<b>Nature of business</b>
<i>Continuing operations as of balance sheet date:</i>			
Arcelik Hitachi Home Appliances B.V. (Arçelik Hitachi)	Netherlands	Investment	Holding
Arcelik Hitachi Home Appliances IBC Co. Ltd.	Thailand	Service	Service
Arcelik Hitachi Home Appliances Sales (Hong Kong) Limited	Hong Kong, China	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 (Shanghai) Co., Ltd.	China	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 (Thailand) Ltd.	Thailand	Production/Sales	Consumer Durables
Arcelik Hitachi Home Appliances Sales (Vietnam) Co., Ltd.	Vietnam	Sales	Consumer Durables
Arcelik Hitachi Taiwan Home Appliances Sales Ltd.	Taiwan	Sales	Consumer Durables
Arch R&D Co. Ltd. (“Arch R&D”)	China	R&D	Developing technology and design
Arctic Foundation (“Arctic Foundation”)	Romania	Foundation	Foundation
Arcwaste Collection SRL (“Arcwaste”) <sup>(*)</sup>	Romania	Service	Service
Arçelik Pazarlama A.Ş. (“Pazarlama A.Ş.”)	Turkey	Service/Sales/Marketing	Consumer Durables/Electronics
Bauknecht AG (“Bauknecht”) <sup>(2)</sup>	Switzerland	Sales	Consumer Durables
Bauknecht Hausgeräte GmbH (“Bauknecht Hausgeräte”) <sup>(2)</sup>	Germany	Sales	Consumer Durables
Beko A and NZ Pty Ltd. (“Beko Australia”)	Australia	Sales	Consumer Durables
Beko A and NZ Pty Ltd. New Zealand Branch (“Beko New Zealand”) <sup>(*)</sup>	New Zealand	Sales	Consumer Durables
Beko AE LLC (Beko AE) <sup>(2)</sup>	United Arab Emirates	Sales	Consumer Durables
Beko Algeria EURL (“Beko Algeria”)	Algeria	Sales	Consumer Durables
Beko APAC IBC Co. (“Beko APAC”)	Thailand	Service	Service
Beko Appliances Malaysia Sdn. Bhd. (“Beko Malaysia”)	Malaysia	Sales	Consumer Durables
Beko Austria AG (“Beko Austria”)	Austria	Sales	Consumer Durables/Electronics
Beko Azerbaijan MMC (“Beko Azerbaijan”)	Azerbaijan	Sales	Consumer Durables
Beko B.V. (“Beko B.V.”)	Netherlands	Investment	Holding
Beko Balkans D.O.O (“Beko Balkans”)	Serbia	Sales	Consumer Durables/Electronics
Beko Bangladesh B.V (“Beko Bangladesh”)	Netherlands	Investment	Holding
Beko Belgium N.V. (“Beko Belgium”)	Belgium	Sales	Consumer Durables
Beko Canada INC (“Beko Canada”) <sup>(2)</sup>	Canada	Sales	Consumer Durables
Beko Central Asia LLC (“Beko Central Asia”)	Kazakhstan	Sales	Consumer Durables
Beko Croatia d.o.o (“Beko Croatia”) <sup>(1)</sup>	Croatia	Sales	Consumer Durables
Beko Egypt Home Appliances Industries LLC (“Beko Egypt LLC”)	Egypt	Production/Sales	Consumer Durables/Electronics
Beko Egypt Trading LLC (“Beko Egypt”)	Egypt	Sales	Consumer Durables
Beko Electrical Appliances Co. Ltd. (“Beko China”)	China	Sales	Consumer Durables
Beko Europe Austria GmbH (Beko Europe Austria) <sup>(2)</sup>	Austria	Sales	Consumer Durables
Beko Europe B.V. (“Beko Europe”)	Netherlands	Investment	Holding
Beko Europe Bulgaria EOOD (“Beko Bulgaria”) <sup>(2)</sup>	Bulgaria	Sales	Consumer Durables
Beko Europe Denmark A/S (“Beko Europe Denmark”) <sup>(2)</sup>	Denmark	Service	Service
Beko Europe Estonia OÜ (“Beko Estonia”) <sup>(2)</sup>	Estonia	Sales	Consumer Durables
Beko Europe Holdings BV (“Beko Holdings”) <sup>(2)</sup>	Netherlands	Investment	Holding
Beko Europe Iberia, S.A. (“Beko Iberia”) <sup>(2)</sup>	Portugal	Sales	Consumer Durables
Beko Europe Latvia SIA (“Beko Latvia”) <sup>(2)</sup>	Latvia	Sales	Consumer Durables
Beko Europe Lithuania UAB (“Beko Lithuania”) <sup>(2)</sup>	Lithuanian	Sales	Consumer Durables
Beko Europe Management SRL (“Beko Europe Management”) <sup>(2)</sup>	Italy	Sales	Consumer Durables
Beko Europe R&D SRL (“Beko R&D”) <sup>(2)</sup>	Italy	R&D	Developing technology and design
Beko France S.A.S. (“Beko France”)	France	Sales	Consumer Durables/Electronics

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

<b>Subsidiaries and branches (continued)</b>	<b>Country of incorporation</b>	<b>Core business</b>	<b>Nature of business</b>
<i>Continuing operations as of balance sheet date: (continued)</i>			
Beko Germany GmbH (“Beko Germany”)	Germany	Sales	Consumer Durables/Electronics
Beko Greece SMSA (“Beko Greece”)	Greece	Sales	Consumer Durables
Beko Gulf DMCC (“Beko Gulf DMCC”) (2)	United Arab Emirates	Sales	Consumer Durables
Beko Gulf FZE (“Beko Gulf”)	United Arab Emirates	Sales	Consumer Durables/Electronics
Beko Hong Kong Ltd. (“Beko Hong Kong”)	Hong Kong, China	Purchase	Consumer Durables/Electronics
Beko Hungary Kft (“Beko Hungary”)	Hungary	Sales	Consumer Durables/Electronics
Beko Ireland (Beko PLC Branch) (“Beko Ireland”) (*) (1)	Republic of Ireland	Sales	Consumer Durables/Electronics
Beko Israel Household Appliances Ltd. (“Beko Israel”)	Israel	Marketing	Consumer Durables
Beko Italy Manufacturing SRL (Beko Italy Manufacturing”) (2)	Italy	Production/Sales	Consumer Durables/Electronics
Beko Italy SRL (“Beko Italy”)	Italy	Sales	Consumer Durables/Electronics
Beko LLC. (“Beko Russia”)	Russia	Production/Sales	Consumer Durables/Electronics
Beko Maghreb Sarl (“Beko Maghreb”) (2)	Morocco	Sales	Consumer Durables
Beko Manufacturing Slovakia spol. S.R.O. (“Beko Manufacturing Slovakia”) (2)	Slovakia	Purchase	Consumer Durables/Electronics
Beko Morocco Household Appliances SARL (“Beko Morocco”)	Morocco	Sales	Consumer Durables/Electronics
Beko Netherlands B.V. (“Beko Netherlands”)	Netherlands	Sales	Consumer Durables
Beko Nordic AB, Finland Rep Office of Beko Nordic AB (“Beko Finland”) (*) (1)	Finland	Sales	Consumer Durables/Electronics
Beko Nordic AB. (“Beko Sweden”)	Sweden	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
Beko Pilipinas Corporation (“Beko Philippines”)	Republic of the Philippines	Sales	Consumer Durables
Beko Plc. (“Beko UK”)	England	Sales	Consumer Durables/Electronics
Beko Poland Manufacturing Sp. Z O.O. (“Beko Poland Manufacturing”) (2)	Poland	Purchase	Consumer Durables/Electronics
Beko Portugal, Unipessoal LDA (“Beko Portugal”)	Portugal	Sales	Consumer Durables/Electronics
Beko Romania SA (“Arctic”) (1)	Romania	Production/Sales	Consumer Durables/Electronics
Beko S.A. (“Beko Polska”)	Poland	Sales	Consumer Durables/Electronics
Beko S.A., Czech Branch of Beko S.A. (“Beko Czech”)	Czech Republic	Sales	Consumer Durables/Electronics
Beko Shanghai Trading Co Ltd. (“Beko Shanghai”)	China	Sales	Consumer Durables/Electronics
Beko Slovakia S.R.O. (“Beko Slovakia”)	Slovakia	Sales	Consumer Durables/Electronics
Beko Spain Electronics S.L. (“Beko Spain”) (1)	Spain	Sales	Consumer Durables/Electronics
Beko Switzerland GmbH (“Beko Switzerland”)	Switzerland	Sales	Consumer Durables/Electronics
Beko Thai Co. Ltd. (“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
Dawlance ( Private) Ltd. (“Dawlance”)	Pakistan	Production/Sales	Consumer Durables
Defy Appliances (Proprietary) Ltd. (“Defy”)	Republic of the South Africa	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 Sales East Africa Limited (“Defy Kenya”)	Kenya	Sales	Consumer Durables
Defy (Swaziland) (Proprietary) Ltd. (“Defy Swaziland”)	Swaziland	Sales	Consumer Durables
DEL Electronics (Private) Ltd. (“DEL”)	Pakistan	Sales	Consumer Durables
European Appliances Balkans d.o.o. Beograd (“European Balkans”) (2)	Serbia	Service	Service
European Appliances Belgium NV (“European Belgium”) (2)	Belgium	Sales	Consumer Durables
European Appliances Croatia d.o.o. (“European Croatia”) (2)	Croatia	Sales	Consumer Durables
European Appliances Czech spol. S.R.O. (“European Czech”) (2)	Czech Republic	Sales	Consumer Durables
European Appliances Finland OY (“European Finland”) (2)	Finland	Service	Service
European Appliances France Holdings SAS (“European France Holdings”) (2)	France	Investment	Holding
European Appliances France SAS (“European France”) (2)	France	Sales	Consumer Durables
European Appliances Greece SA (“European Greece”) (2)	Greece	Sales	Consumer Durables
European Appliances Hungary KFT (“European Hungary”) (2)	Hungary	Sales	Consumer Durables
European Appliances Italy SRL (“European Italy”) (2)	Italy	Sales	Consumer Durables
European Appliances Netherlands BV (“European Netherlands”) (2)	Netherlands	Sales	Consumer Durables
European Appliances Nordic AB (“European Nordic”) (2)	Sweden	Sales	Consumer Durables
European Appliances Norway AS (“European Norway”) (2)	Norway	Service	Service
European Appliances Poland Sp. Z.O.O. (“European Poland”) (2)	Poland	Sales	Consumer Durables
European Appliances Romania SRL (“European Romania”) (2)	Romania	Sales	Consumer Durables
European Appliances Slovakia spol. S.R.O. (“European Slovakia”) (2)	Slovakia	Sales	Consumer Durables
European Appliances Ukraine LLC (“European Ukraine”) (2)	Ukraine	Sales	Consumer Durables
European Home Appliances Spain S.A. (“European Spain”) (2)	Spain	Sales	Consumer Durables
General Domestic Appliances Holdings LTD (“General Appliances”) (2)	England	Investment	Holding
Grundig Multimedia A.G. (“Grundig Switzerland”)	Switzerland	Sales	Electronics
Hotpoint Ireland Ltd (“Hotpoint Ireland”) (2)	Republic of Ireland	Sales	Consumer Durables
Hotpoint UK Appliances Limited (“Hotpoint UK”) (2)	England	Production/Sales	Consumer Durables/Electronics
IHP Appliances LLC (“IHP Appliances”)	Russia	Production/Sales	Consumer Durables/Electronics
IHP Appliances Sales LLC (“IHP Appliances Sales”)	Russia	Sales	Consumer Durables/Electronics
IHP Kazakhstan LLP (“IHP Kazakhstan”)	Kazakhstan	Sales	Consumer Durables/Electronics
Indesit Company International Business SA (“Indesit International”) (2)	Switzerland	Treasury	Treasury
Indesit Company UK Holdings LTD (“Indesit UK”) (2)	England	Investment	Holding
IRE Beteiligungs GmbH (“IRE Beteiligungs”) (2)	Germany	Sales	Electronics
Pan Asia Private Equity Ltd. (“Pan Asia”)	British Virgin Islands	Investment	Holding
PT Beko Appliances Indonesia (“PT Indonesia”)	Indonesia	Sales	Consumer Durables
PT Home Appliances IND (“PT IND”)	Indonesia	Sales	Consumer Durables

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**ARÇELİK ANONİM ŞİRKETİ**

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

<b>Subsidiaries and branches (continued)</b>	<b>Country of incorporation</b>	<b>Core business</b>	<b>Nature of business</b>
<i>Continuing operations as of balance sheet date: (continued)</i>			
PT. Arcelik Hitachi Home Appliances Sales Indonesia (Arçelik Hitachi Indonesia)	Indonesia	Sales	Consumer Durables
Singer Bangladesh Limited (“Singer Bangladesh”)	Bangladesh	Production/Sales	Consumer Durables/Electronics
United Refrigeration Industries Ltd. (“URIL”)	Pakistan	Production/Sales	Consumer Durables
Vietbeko LLC. (“Vietbeko”)	Vietnam	Sales	Consumer Durables

<sup>(\*)</sup> 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.

<b>Ceased operations as of reporting date:</b>	<b>Country of incorporation</b>	<b>Core business</b>	<b>Nature of business</b>
Beko Cesko (“Beko Cesko”)	Czech Republic	-	-
Grundig Intermedia Ges.m.b.H (“Grundig Austria”)	Austria	-	-

**Associates**

Koç Finansman A.Ş. (“Koç Finansman”)	Turkey	Finance	Consumer Finance
Ram Dış Ticaret A.Ş. (“Ram Dış Ticaret”)	Turkey	Sales	Foreign Trade

**Joint Ventures**

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 consolidated financial statements**

These consolidated financial statements as of and for the year ended December 31, 2024, has been approved for issue by the Board of Directors on January 31, 2025. These consolidated financial statements will be finalized following their approval in the General Assembly.

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**ARÇELİK ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of presentation**

**Financial reporting standards**

The 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 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.

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 period 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 December 31, 2023, on the purchasing power basis as of December 31, 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.

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**ARÇELİK ANONİM ŞİRKETİ**

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

**2.1 Basis of presentation (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 December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

<b>Year End</b>	<b>Index</b>	<b>Conversion Factor</b>	<b>Three-year Inflation Rate</b>
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

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

- Current period 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 balance sheet 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 balance sheet, 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 consolidated income statement. (Note 31)

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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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 December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter.

**a) 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
- Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements;

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

**b) 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;
- Amendments to TAS 21 - Lack of exchangeability

The Group will assess the effects of these changes after the mentioned standards have been finalized.

- TFRS 17 - The new Standard for insurance contracts

The mentioned standard is not applicable to the Group.

**c) The amendments which are effective immediately upon issuance**

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

The amendments do 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)**

**d) 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 TFRS 9 and TFRS 7 as well as TFRS 18 and TFRS 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 TFRS 9 and TFRS 7 – Classification and measurement of financial instruments
- Amendments to TFRS 9 and TFRS 7 – Contracts Concerning Electricity Generated from Natural Resources
- IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

- TFRS 19 – Subsidiaries without Public Accountability: Disclosures

The mentioned standard is not applicable to the Group.

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

**2.1 Basis of presentation (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 TAS/IFRS 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 and indexing has been applied to bring the income and expenses to the current period’s purchasing power. 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 TAS/IFRS 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)**

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 December 31, 2024, and December 31, 2023, (%) and their functional currencies:

	Functional currency	December 31, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
<b>Continuing operations as of balance sheet date:</b>					
Arçelik Hitachi	Euro	60	60	60	60
Arçelik Hitachi Dubai	Dirham	60	60	60	60
Arçelik Hitachi Hong Kong	Hong Kong Dollar	60	60	60	60
Arçelik Hitachi Indonesia	Indonesian Rup.	40.5	40.5	40.5	40.5
Arçelik Hitachi Malaysia	Malaysian Ringgit	60	60	60	60
Arçelik Hitachi Sales Thailand	Thai Baht	60	60	60	60
Arçelik Hitachi Shanghai	Chinese Yuan	57	57	57	57
Arçelik Hitachi Singapore	Singapore Dollar	60	60	60	60
Arçelik Hitachi Taiwan	Taiwanese Dollar	60	60	60	60
Arçelik Hitachi Thailand	Thai Baht	50.4	50.4	50.4	50.4
Arçelik Hitachi Thailand IBC	Thai Baht	60	60	60	60
Arçelik Hitachi Vietnam	Vietnamese Dong	60	60	60	60
Arch R&D	Chinese Yuan	100	100	100	100
Arctic Foundation (*)	Romanian Lei	72.54	72.54	96.72	96.72
Arwaste (*)	Romanian Lei	72.54	72.54	96.72	96.72
Bauknecht (**)	Swiss Franc	75	75	-	-
Bauknecht Hausgeräte (**)	Euro	75	75	-	-
Beko AE (**)	Dirham	100	100	-	-
Beko Algeria	Algerian Dinar	100	100	100	100
Beko APAC	Thai Baht	100	100	100	100
Beko Australia	Australian Dollar	100	100	100	100
Beko Austria (*)	Euro	75	75	100	100
Beko Azerbaijan	Azerbaijan Manat	100	100	100	100
Beko B.V.	Euro	100	100	100	100
Beko Balkans (*)	Serbian Dinar	75	75	100	100
Beko Bangladesh	Euro	100	100	100	100
Beko Belgium (*)	Euro	75	75	100	100
Beko Bulgaria (**)	Bulgarian Lev	75	75	-	-
Beko Canada (**)	Canadian Dollar	100	100	-	-
Beko Central Asia	Kazakhstan Tenge	100	100	100	100
Beko China	Chinese Yuan	100	100	100	100
Beko Croatia (*)	Croatian Kuna	75	75	100	100
Beko Czech (*)	Czech Koruna	75	75	100	100
Beko Denmark (*)	Danish Krone	75	75	100	100
Beko Egypt	Egyptian Lira	100	100	100	100
Beko Egypt LLC	Egyptian Lira	100	100	100	100
Beko Estonia (**)	Euro	75	75	-	-
Beko Europe (*)	Euro	75	75	-	-
Beko Europe Austria (**)	Euro	75	75	-	-
Beko Europe Denmark (**)	Danish Krone	75	75	-	-
Beko Europe Management (**)	Euro	75	75	-	-
Beko Finland (*)	Euro	75	75	100	100
Beko France (*)	Euro	75	75	100	100
Beko Germany (*)	Euro	75	75	100	100
Beko Greece (*)	Euro	75	75	100	100
Beko Gulf	Dirham	100	100	100	100
Beko Gulf DMCC (**)	Dirham	100	100	-	-
Beko Holdings (**)	Euro	75	75	-	-
Beko Hong Kong	US Dollar	100	100	100	100
Beko Hungary (*)	Hungarian Forint	75	75	100	100
Beko Iberia (**)	Euro	75	75	-	-
Beko Ireland (*)	Euro	75	75	100	100
Beko Israel	New Israeli Shekel	100	100	100	100
Beko Italy (*)	Euro	75	75	100	100
Beko Italy Manufacturing (**)	Euro	75	75	-	-
Beko Latvia (**)	Euro	75	75	-	-
Beko Lithuania (**)	Euro	75	75	-	-
Beko Maghreb (**)	Moroccan Dirham	100	100	-	-
Beko Malaysia	Malaysian Ringgit	100	100	100	100

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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	December 31, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Beko Manufacturing Slovakia (**)	Euro	75	75	-	-
Beko Morocco	Moroccan Dirham	100	100	100	100
Beko Netherlands (*)	Euro	75	75	100	100
Beko New Zealand	New Zealand Dollar	100	100	100	100
Beko Norway (*)	Norwegian Kroner	75	75	100	100
Beko Philippines	Philippine Peso	100	100	100	100
Beko Poland Manufacturing (**)	Euro	75	75	-	-
Beko Polska (*)	Polish Zloty	75	75	100	100
Beko Portugal (*)	Euro	75	75	100	100
Beko Romania (*)	Romanian Lei	72.54	72.54	96.72	96.72
Beko Russia	Russian Ruble	100	100	100	100
Beko Shanghai	Chinese Yuan	100	100	100	100
Beko Slovakia (*)	Euro	75	75	100	100
Beko Spain (*)	Euro	75	75	100	100
Beko Sweden (*)	Swedish Krona	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 Ukraine (*)	Ukrainian Hryvnia	75	75	100	100
Beko US	US Dollar	100	100	100	100
Beko R&D (**)	Euro	75	75	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 Kenya	Kenya Shilling	100	100	100	100
Defy Namibia	Namibian Dollar	100	100	100	100
Defy Swaziland	Svazi Lilangeni	100	100	100	100
DEL	Pakistani Rupee	100	100	100	100
European Balkans (**)	Serbian Dinar	75	75	-	-
European Belgium (**)	Euro	75	75	-	-
European Croatia (**)	Euro	75	75	-	-
European Czech (**)	Czech Koruna	75	75	-	-
European Finland (**)	Euro	75	75	-	-
European France (**)	Euro	75	75	-	-
European France Holdings (**)	Euro	75	75	-	-
European Greece (**)	Euro	75	75	-	-
European Hungary (**)	Hungarian Forint	75	75	-	-
European Italy (**)	Euro	75	75	-	-
European Netherlands (**)	Euro	75	75	-	-
European Nordic (**)	Swedish Krona	75	75	-	-
European Norway (**)	Norwegian Kroner	75	75	-	-
European Poland (**)	Polish Zloty	75	75	-	-
European Romania (**)	Romanian Lei	75	75	-	-
European Slovakia (**)	Euro	75	75	-	-
European Spain (**)	Euro	75	75	-	-
European Ukraine (**)	Ukrainian Hryvnia	75	75	-	-
General Appliances (**)	British Pound	75	75	-	-
Grundig Switzerland	Swiss Franc	75	75	-	-
Hotpoint Ireland (**)	Euro	75	75	-	-
Hotpoint UK (**)	British Pound	75	75	-	-
IHP Appliances	Russian Ruble	100	100	100	100
IHP Appliances Sales	Russian Ruble	100	100	100	100
IHP Kazakhstan	Kazakhstan Tenge	100	100	100	100
Indesit International (**)	Swiss Franc	75	75	-	-
Indesit UK (**)	British Pound	75	75	-	-
Ire Beteiligungs (**)	Euro	75	75	-	-
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
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

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

**2.2 Basis of presentation (Continued)**

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
<b>Ceased operations as of balance sheet date:</b>				
Beko Cesko	-	75	75	100
Grundig Austria	-	75	75	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 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 December 31, 2024, and 2023 (%):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
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/or 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 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 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.

Except changes pointed below paragraphs, 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.

In the consolidated statement of financial position as of December 31, 2023, advances for fixed assets amounting to TRY 3,488,797, previously classified under "Property, Plant and Equipment," have been reclassified under "Prepaid Expenses" within Non-Current Assets.

Due to the restatement resulting from the indexing of the shareholding of subsidiaries operating abroad by the parent company, net monetary position gains/(losses) arising from this restatement have been classified among the consolidated net profit for the period, consolidated retained earnings, and consolidated foreign exchange translation differences in the statement of changes in equity as of January 1, 2023, and December 31, 2023. The amounts restated for the 2024 purchasing power are indicated below, respectively.

As of January 1, 2023, a reclassification of TRY (4,201,649) in foreign exchange translation differences, TRY (2,450,961) in non-controlling interests, and TRY 6,652,610 in retained earnings was made.

As of December 31, 2023, the reclassifications were as follows: TRY 6,652,610 in retained earnings, TRY (10,620,820) in foreign exchange translation differences, TRY (4,467,266) in non-controlling interests, and TRY 8,435,476 in net profit for the period. The reclassifications have also been reported in the comparative period's financial position statement and income statement.

These changes do not have any impact on the Group's total equity.

**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 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.

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

**2.3 Summary of significant accounting policies**

Significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

**Related parties**

For the purpose of these consolidated financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by/or affiliated with them, associated companies and other companies within the Koç Holding group, and the companies controlled by Koç Holding are considered and referred to as related parties (Note 34).

**Trade receivables**

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 9).

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

The Group collects some of its receivables via factoring. The Group follows related receivables in its consolidated financial statements since the collection risk of these receivables belongs to the Group until these ceded receivables are collected by the factoring company. Advance taken from factoring company against these receivables is recorded as factoring payable in “Financial Liabilities” account. Factoring expenses are accounted as accrual base in finance expenses account.

**Inventories**

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labour and factory overheads. The cost of borrowings is not included in the costs of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale (Note 11).

**Financial Assets**

**Classification and measurement**

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

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

**2.3 Summary of significant accounting policies (Continued)**

**(a) Financial assets carried at amortized cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

*Impairment*

The Group evaluates its inventories for impairment under TAS 2, trade receivables under TFRS 9, and property, plant, and equipment under TAS 36; and recognizes provisions in the financial statements when deemed necessary.

**(b) Financial assets carried at fair value**

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

*i) Financial assets carried at fair value through profit or loss*

Financial assets that are measured at fair value through profit or loss, excluding those subjects to fair value hedge accounting, are included in the "derivative instruments" line item in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group's financial instruments at fair value through profit or loss consist of forward contracts, currency swaps and cross currency fixed interest rate swap.

*ii) Financial assets carried at fair value through other comprehensive income*

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. Gains or losses arising from financial assets, other than impairment and exchange rate income or expenses, are recognized in other comprehensive income. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

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

**2.3 Summary of significant accounting policies (Continued)**

**Financial liabilities**

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of profit or loss over the period. Borrowing costs are charged to the statement of profit or loss when they are incurred (Note 7). Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Trade payables**

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**Recognition and de-recognition of financial instruments**

All purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase or to sell the asset. These purchases or sales are purchases or sales generally require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired,
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the consolidated financial statements.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Foreign currency hedge of net investments in foreign operations**

Gains or losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in foreign operations are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the consolidated statement of profit or loss. The gain or loss on the hedging instruments that has been recognized directly in equity is transferred statements of profit or loss on the disposal of the foreign operation (Note 35).

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

**2.3 Summary of significant accounting policies (Continued)**

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less (Note 5). For the purpose of consolidated statements of cash flows, cash and cash equivalents includes cash and cash equivalents with original maturities less than three months, excluding the interest accruals. If any provision provided to the cash and cash equivalents as a result of a specific events, Group measures expected credit loss from these cash and cash equivalents by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

**Property, plant and equipment and related depreciation**

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line or unit of production methods based on the estimated useful lives of the assets, except for land due to their indefinite useful life. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Land improvements	10 - 50 years
Buildings	30 - 50 years
Machinery, equipment and moulds	2 - 25 years
Motor vehicles and fixtures	4 - 10 years
Leasehold improvements	3 - 10 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Gains or losses on disposals of property, plant and equipment are included in income/expense from investment activities.

Subsequent costs, such as repairs and maintenance or part replacement of tangible assets, are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the company (Note 13). All other costs are charged to the statements of profit or loss during the financial year in which they are incurred.

**Other intangible assets**

Other intangible assets are comprised of acquired brands, trademarks, patents, developments costs and computer software (Note 14).

*a) Brands*

Brands acquired through business combinations are reflected in the financial statements at their fair value, with brands denominated in Turkish Lira being indexed, and foreign currency-denominated brands being valued according to exchange rate fluctuations.

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

**2.3 Summary of significant accounting policies (Continued)**

*a) Brands (continued)*

The Group has assessed the useful lives of brands as indefinite due to the fact that there is no foreseeable limit to the period over which brands are expected to generate net cash inflows for the Group. Brands that have an indefinite useful life are not subject to amortization. Brands are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is an indicator initial recognition value in an asset is greater than estimated net realizable value, the value of asset should be recorded at recoverable value. (Note 14)

*b) Development costs*

Costs incurred on development projects relating to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other research and development expenditures are recognized as an expense as incurred. Development expenditures previously recognized as an expense cannot be recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis from 2 to 10 years.

*c) Computer software and rights*

Computer software and rights are recognized at their acquisition cost. They are amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. Their estimated useful lives are between 4 -15 years.

*d) Trademark licenses, patents and trademark usage right*

Separately acquired trademark licenses and patents are carried at their acquisition costs. Trademarks, licenses, and patents acquired as part of business combinations are reflected in the financial statements at their fair values, indexed and adjusted for exchange rate fluctuations as of the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (5-10 years).

*e) Customer Relationships*

Customer relationships that are acquired as a part of business combination are accounted for at their fair value at the acquisition date in the financial statements. Customer relationships have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over their estimated useful lives (between 5, 50 years).

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

**2.3 Summary of significant accounting policies (Continued)**

**Leases**

*The Group - as a lessee*

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

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

The Group reflects a right-of-use asset and a lease liability in its financial statements at the actual commencement date of the lease.

*Right of use asset*

The right of use asset is initially recognized at cost comprising of:

- e) Amount of the initial measurement of the lease liability;
- f) Any lease payments made at or before the commencement date, less any lease incentives received;
- g) Any initial direct costs incurred by the Group; and
- h) An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re-measure the right of use asset by applying cost method:

- a) After netting-off accumulated depreciation and impairment losses from right of use asset.
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies IAS 16, “Property, Plant and Equipment” to amortize the right of use asset and to asses for any impairment.

The entity applies IAS 36, ‘Impairment of Assets’, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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

**2.3 Summary of significant accounting policies (Continued)**

**Lease Liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group’s incremental borrowing rate. The alternative borrowing rate has been determined based on the borrowing rates of the Group companies at the contract dates.

Lease payments included in the measurement of the lease liability comprise the following:

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

After initial recognition, the lease liability is measured:

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

The duration of the contract that make up the Group’s lease liabilities varies between 1 and 5 years.

*Extension and termination options*

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. The Group do not have significant lease contracts with extension and termination options that are not included in the lease liability since they are not reasonably certain.

The Group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. As result of the evaluations performed in the current period, there is no lease obligation or right of use assets arising from the inclusion of extension and early termination options in the lease period

*Variable lease payments*

Group’s lease contracts also include variable lease payments which are not in the scope of TFRS 16. Variable lease payments are recognised in profit or loss in the related period.

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

**2.3 Summary of significant accounting policies (Continued)**

***The Group - as a lessor***

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

**Business combinations and goodwill (bargain purchase gain)**

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses.

Business combinations carried out by the Group have been accounted for using the acquisition method in accordance with IFRS 3 “Business Combinations.” In this method, the consideration transferred includes the fair value of assets given at the date of acquisition, capital instruments issued, and liabilities assumed or incurred at the date of transition. If the business combination agreement contains provisions stipulating that the cost can be adjusted depending on future events; contingent considerations are also included in the consideration transferred at the date of merger, provided that the adjustment is probable and its value can be reliably measured. Contingent considerations arising from business combinations are measured at their fair value in the consolidated financial statements. Any excess of the cost of acquisition over the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities is accounted for as goodwill in the consolidated financial statements.

Goodwill recognized in business combinations is tested for impairment annually (as of December 31) or more frequently if events or changes in circumstances indicate impairment, instead of amortization (Note 15). Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the Group’s share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

**Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset which requires substantial period of time to get ready for its intended use or sale shall be capitalized over the cost of the asset (Note 14). Other borrowing costs shall be recognized as an expense in the period it incurs (Note 30).

**Current and deferred income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders’ equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Group operate.

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

**2.3 Summary of significant accounting policies (Continued)**

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date (Note 32).

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized directly in equity is recognized in equity.

The Company recognizes deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future;
- taxable profit will be available against which the temporary difference can be utilized.

The Company recognizes deferred tax liability for all taxable temporary differences associated with investments in subsidiaries except to the extent that both of the following conditions are satisfied:

- the parent can control the timing of the reversal of the temporary difference;
- it is probable that the temporary difference will not reverse in the foreseeable future.

Government grants allowing reduced corporate tax payment are evaluated within the scope of TAS 12 Income Taxes standard and are recognised as deferred tax asset by the qualified tax advantage amount, to the extent it is highly probable that future taxable profits will be available against which the unused investment tax credits can be utilised.

**Employment termination benefits**

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one-year service. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders’ equity in the period in which they arise (Note 19).

**Retirement Benefit Obligation Provision**

The accounting for retirement benefit obligations involves estimating the costs of future benefits and spreading these costs over the employee's expected service life. Determining the obligation and expense related to these costs requires the use of specific assumptions. These key assumptions include the discount rate, the expected long-term return rate on plan assets, life expectancy, and healthcare cost inflation rates. These assumptions may vary based on interest rates in high-quality bonds and equities, as well as medical cost inflation. In the event that actual outcomes differ from these assumptions, the differences accumulate and are amortized over future periods, which generally affects the expense recorded in those periods and the accrued obligation.

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

**2.3 Summary of significant accounting policies (Continued)**

**Retirement Benefit Obligation Provision (Continued)**

While it is believed that the assumptions are appropriate considering current economic conditions and actual experience, significant discrepancies in results or significant changes in assumptions could materially impact retirement and other post-retirement benefit obligations and related future expenses. (Note 19).

The retirement benefit obligation as of December 31, 2024, and the pre-retirement benefit costs for 2024, have been prepared using the assumptions determined as of December 31, 2024.

**Foreign currency transactions**

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. Exchange gain or losses arising from the settlement and translation of foreign currency items have been included under financial income/ expenses and other operating income/ expenses in the consolidated statements of profit or loss, except for the effective portion of the foreign currency hedge of net investments in foreign operations.

**Revenue recognition**

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following main principles:

- (a) Identification of customer contracts,
- (b) Identification of performance obligations,
- (c) Determination of transaction price in the contract,
- (d) Allocation of price to performance obligations,
- (e) Recognition of revenue when the performance obligations are fulfilled.

Group recognized revenue from its customers only when all of the following criteria are met:

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

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

**2.3 Summary of significant accounting policies (Continued)**

*Revenue from sale of goods*

Group recognizes revenue based on the sale of white goods, consumer electronics, air conditioners and home appliance. Revenue is recognized when the control of the goods is transferred to the customer. In addition, Group provides legal warranty commitment to its customers depending on the type of goods and the location of sale between 1-5 years. These legal warranty commitments are mandatory by regulations, have not a separate price apart from the good and are not separately sold. Therefore, they are not treated as a separate good or service apart from the sale of good.

*Revenue from sale of extended warranty*

Group sells extended warranty to its customer for the period after the termination of legal warranty provided for all goods. The price of extended warranty is determined separately from the price of the goods and it is a separate performance obligation in the contract. Therefore, Group treats the service that will be provided due to the sale of extended warranty as a separate performance obligation.

Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. Group delivers the control of services related to the sale of extended warranty over time and it fulfills the performance obligation of extended warranty over time. Therefore, Group measures the delivery status of its performance obligation and recognize revenue in the consolidated financial statements accordingly (Note 25). Group recognizes revenue from the sale of goods in the consolidated financial statements when the control of the good is transferred to the customer.

When another party is involved in providing goods or services to a customer, the group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself or to arrange for the other party to provide those goods or services. The group is a principal if it controls a promised good or service before the group transfers the good or service to a customer. When a group that is a principal satisfies a performance obligation, it recognizes as revenue the gross amount of consideration which it expects to be entitled to in exchange for those goods or services. The group is an agent if its performance obligation is to arrange for the provision of goods or services by another party.

Group recognizes revenue when it has right to collect the consideration which is equal to the price of performance obligation fulfilled by the perspective of customer (after the delivery of goods) in an amount of its right to invoice. Group expects that the difference between the timing of the transfer of goods of services determined at the beginning of the contact and the timing of the collection of transaction price by the customer does not differ more than one year and therefore transaction price does not contain a significant finance component.

Transaction price varies due to favors like discounts and rebates provided to the customers. Transaction price is determined based on the most likely amount method since Group provides bonus premium to its customers if the customers achieves the limit of sale.

Group pays customer premiums to its dealers based on their annual revenue performance results. Amounts calculated as of the balance sheet date are recognized in other short-term liabilities in the balance sheet and in revenue as discounts in revenue in the statement of profit or loss.

Group does not have any contract assets related to the contracts with customers and any expenses that can be capitalized in accordance with these contracts.

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

**2.3 Summary of significant accounting policies (Continued)**

**Incentives for investments, research, and development activities**

Gains arising from incentives for investment and research and development activities together with government grants are recognized when there is a reasonable assurance for the necessary conditions to be fulfilled and incentive to be acquired by the Group. Vested government grants related with expense or capitalization realized in previous accounting periods, are recognized in statements of profit or loss when collectible and grants relating to capital assets are accounted for as deferred income in the consolidated balance sheet and are credited to consolidated income statement on a straight-line basis over the expected lives of related assets.

**Dividends**

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

**Paid-in capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Share premium**

Share premium represents differences resulting from the sale of the Company’s Subsidiaries’ and Associates’ shares at a price exceeding the face value of those shares or differences between the face value and the fair value of shares issued for acquired companies.

**Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. No provision is recognized for operating losses expected in later periods.

**Warranty expenses**

Warranty expenses includes repair and maintenance expenses for products sold and labor and material costs of authorized services’ for products under the scope of the warranty terms without any charge to the customers. Based on estimations using past statistical information warranty services and returns of products, warranty expenses are recognized for the products sold in the period for possible utilizations of warranties in the following future periods (Note 18).

**Assembly provisions**

Assembly provision includes provision provided for the marketing expenses incurred for the assembly of products bought by the end users. This provision is calculated based on the past statistical information and projections for the future (Note 18).

**Provisions for Restructuring**

The Group recognizes provisions for restructuring in accordance with TAS 37 Provisions Standard. These provisions are recognised when an irreversible obligation has been incurred, a detailed plan has been prepared, and the plan has been communicated to the relevant parties.

The provisions cover costs related to terminations, severance payments, and other obligations arising during the restructuring process. Provisions are not recognised for future operational losses. The measurement is based on the best estimate of the likely outcome. Provisions are reviewed regularly, and the obligation amount is remeasured using the best estimate.

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

**2.3 Summary of significant accounting policies (Continued)**

**Contingent assets and liabilities**

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are disclosed as contingent assets or liabilities (Note 17).

Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. If an outflow of resources has become probable, contingent liabilities are recognised in the financial statements. Contingent assets are not recognised in financial statements but disclosed in the notes to the financial statements where an inflow of economic benefits is probable.

**Earnings per share**

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period. Treasury shares are also included in calculation per share. (Note 33)

**Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the steering committee that makes strategic decisions. Board of Directors has been identified as the sole authority to decide on the operations (Note 4).

**Reporting of cash flows**

In the consolidated statements of cash flows, cash flows are classified and reported according to their operating, investing and financing activities.

**2.4 Critical accounting estimates, judgments, and assumptions**

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal the related to actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

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

**2.4 Critical accounting estimates, judgments, and assumptions (Continued)**

*Impairment test for intangible assets which have indefinite useful lives and goodwill:*

In accordance with the accounting policy for the intangible assets which have indefinite useful lives and goodwill stated in Note 2.3, these assets are reviewed for impairment annually or whenever events or changes in circumstances indicate impairment by the Group. The recoverable amounts of the cash-generating units are determined using the methods of value in use and royalty relief. Certain estimates were used in these calculations (Notes 14 and 15). Impairment was not identified as a result of these tests.

*Provision for employee termination benefits*

To calculate the employee benefit provision actuarial assumptions relating to turnover ratio, discount rate and salary increase are used. Calculation details are given in Employee benefits disclosure (Note 19).

*Useful lives*

The Group capitalizes the tangible and intangible assets in accordance with TAS 16 and TAS 38. The Group defines useful life of its assets in terms of the assets expected utility to the Group. Economic useful lives accepted by the Group is disclosed in Note 2.3.

*Warranty expenses*

The Group recognizes warranty provisions for products under the scope of the warranty terms based the estimations using past statistical information (Note 18).

**NOTE 3 - BUSINESS COMBINATION**

i) In order to contribute to the Group's growth target in the European region, as stated in the material event disclosure dated January 17, 2023, and in line with Arçelik's growth strategy, a Shareholder Agreement has been signed between Arçelik and Whirlpool Corporation for the merger of all of Whirlpool Corporation's production, sales, and marketing subsidiaries operating in Europe under a new company, Beko Europe BV, which will be controlled by Arçelik with a 75% shareholding, and Whirlpool Corporation holding a non-controlling interest with a 25% shareholding. Additionally, as of April 1, 2024, the relevant agreements, including the Partnership Agreement, Brand License Agreements, and agreements related to operations and supply principles, have been signed in accordance with the principles mentioned in the material event disclosure dated January 17, 2023. Thus, as of April 1, 2024, the control of all production, sales, and marketing subsidiaries of Whirlpool Corporation operating in Europe has been transferred to Arçelik.

The purchase price for this transaction represents 25% of the fair values of all the production, sales, and marketing subsidiaries operating in Europe prior to the transfer by Arçelik. As part of the allocation of the purchase price conducted by an independent consulting firm, TRY 4,827,596 is recognized as the purchase price under equity, while TRY 1,476,296 is classified as a contingent liability and reported under long-term liabilities. The total purchase price is TRY 6,303,892.

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**NOTE 3 - BUSINESS COMBINATION (Continued)**

The purchase price, the fair values of the acquired assets and liabilities used provisionally within the scope of TFRS 3 are summarized in the table below:

	<b>1 April 2024</b>
Purchase price – cash	4,827,596
Contingent purchase price (*)	1,476,296
<b>Total purchase price</b>	<b>6,303,892</b>
Cash and cash equivalents	9,263,057
Trade receivables	26.754.638
Provision for expected credit loss (Note 9)	(1.072.961)
Derivative instruments	52.520
Inventories	20.204.646
Provision for inventories (Note 11)	(1.171.989)
Other current assets	4.728.740
Property, plant, and equipment (Note 13)	32.980.874
Intangible assets (Note 14)	8.014.549
Deferred tax assets (Note 32)	13.771.811
Other non-current assets	1.265.279
Trade payables and other payables	(55.663.004)
Deferred tax liabilities (Note 32)	(2.258.554)
Lease liabilities (Note 7)	(6.368.974)
Retirement benefit obligation provision (Note 19)	(6.072.261)
Other liabilities	(16.312.222)
<b>Total net identifiable assets (100%)</b>	<b>28.116.149</b>
Net assets corresponding to the acquired 75% stake	21.087.112
Non-controlling interest fair value adjustment (**)	1.964.237
<b>Representing the 75% share acquired</b>	<b>23.051.349</b>
Income from bargained acquisition (Note 27) (***)	(16.747.457)
<b>Total consideration transferred</b>	<b>6.303.892</b>

(\*) The contingent purchase price refers to the amounts to be paid if Beko Europe B.V. benefits from unused tax losses and tax incentives in Italy and Poland. The amounts likely to be paid are recorded as contingent liabilities under business combinations.

(\*\*) According to TFRS 3, non-controlling interests can be measured based on the proportional share of net assets or fair value. The non-controlling interests arising from this acquisition have been recorded at their fair values, which have been calculated using the discounted cash flow method. The difference between the proportional share of net assets and fair value has been included in the calculation of the bargained price.

(\*\*\*) The gain of TRY 16,747,457 resulting from the bargained acquisition is recognized under "Other Income from Operating Activities" (Note 27)

As of December 31, 2024, the total costs associated with the acquisition of Whirlpool (MENA<sup>(\*)</sup> and Europe) and included in the general and administrative expenses of Arçelik Group's consolidated income statement amount to TRY 629,193. (December 2023: TRY 1,232,738.)

(\*) Refers to the two subsidiaries named 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 32,271,517 and TRY (2,299,586) for revenue and net profit for the period, respectively.

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**NOTE 3 - BUSINESS COMBINATION (Continued)**

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 88,003,227, while its contribution to the net profit for the period was TRY (17,246,067).

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

Total consideration in cash	-
Cash and cash equivalents - acquired	9,263,057
<b>Cash inflow due to acquisition of subsidiary (net)</b>	<b>9,263,057</b>

ii) To contribute to the Group's growth target in the Middle East and North Africa region, as stated in the announcements dated January 17, 2023 and June 23, 2023, all shares of Whirlpool's two subsidiaries, Whirlpool MEEA DMCC and Whirlpool Maroc S.a r.l., operating in the Middle East and North Africa ("MENA") market, established in the United Arab Emirates and Morocco, and Whirlpool's operations in the MENA region, were acquired by Beko B.V. on April 1, 2024, following the closing transactions stipulated in the MENA share purchase agreement.

In the consolidated financial statements dated December 31, 2024, the net assets of the businesses related to the Whirlpool MENA acquisition have been accounted for in accordance with the provisions of TFRS 3 "Business Combinations Standard" within the scope of the purchase price allocation studies conducted by the independent consultant firm.

Additionally, as of April 1, 2024, a Partnership Agreement, Trademark License Agreements, and other agreements related to operations and supply terms were signed between Beko B.V. and Whirlpool Corporation, in accordance with the principles outlined in the January 17, 2023, material event disclosure.

The purchase price, the fair values of the acquired assets and liabilities used provisionally within the scope of TFRS 3 are summarized in the table below:

	<b>1 April 2024</b>
Cash and cash equivalents	723,650
Trade receivables	619,075
Provision for expected credit loss (Note 9)	(43,871)
Inventories	454,152
Provision for inventories (Note 11)	(3,616)
Other current assets	35,357
Property, plant and equipment (Note 13)	13,135
Intangible assets (Note 14)	409,719
Deferred tax assets (Note 32)	37,147
Trade payables and other payables	(698,945)
Deferred tax liabilities (Note 32)	(93,055)
Other liabilities	(206,476)
<b>Total net identifiable assets (100%)</b>	<b>1,246,272</b>
Income from bargained acquisition (Note 27) (*)	(275,577)
<b>Total consideration transferred</b>	<b>970,695</b>

(\*)The difference between the total amount attributable to the net assets and the purchase price has been calculated, resulting in the recognition of negative goodwill.

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**NOTE 3 - BUSINESS COMBINATION (Continued)**

If the relevant companies had been included in the consolidation as of January 1, 2024, the Group’s consolidated income statement would have reflected an additional TRY 1,379,456 in revenue and TRY (56,111) in net profit for the period.

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 3,019,239, while its contribution to the net profit for the period was TRY 47,611.

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

Total consideration transferred - cash	(970,695)
Cash and cash equivalents - acquired	723,650
<b>Net cash outflow from the acquisition</b>	<b>(247,045)</b>

**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 the year ended December 31, 2024, are as follows:

	<b>White goods</b>	<b>Consumer electronics</b>	<b>Other</b>	<b>Total</b>
Net sales (*)	329,738,883	22,155,743	76,653,597	428,548,223
Gross profit	89,246,167	3,255,155	25,600,714	118,102,036
Depreciation and amortization	15,445,408	616,992	582,760	16,645,160
Capital expenditures	21,852,689	1,292,754	745,762	23,891,205

(\*) The Group recognised net sales amounting to TRY 422,697,955 with respect to the performance obligations satisfied at a point in time for the year ended December 31, 2024 (2023: TRY 370,791,912).

- b) Operational segments which have been prepared in accordance with the reportable segments for the year ended December 31, 2023, are as follows:

	<b>White goods</b>	<b>Consumer electronics</b>	<b>Other</b>	<b>Total</b>
Net sales	284,676,671	27,322,635	59,203,962	371,203,268
Gross profit	87,826,700	3,716,103	17,287,032	108,829,835
Depreciation and amortization	11,552,698	633,229	492,472	12,678,399
Capital expenditures	16,981,716	1,254,768	392,509	18,628,993

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NOTE 5 - CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash in hand	95,252	32,375
Cash at banks		
- time deposits	39,649,344	53,095,485
- demand deposits	9,527,714	15,466,677
Cheques and notes	341,017	513,590
Other (*)	1,123,288	1,314,904
<b>Cash and cash equivalents in cash flow statement</b>	<b>50,736,615</b>	<b>70,423,031</b>
Interest income accruals	79,210	21,947
	<b>50,815,825</b>	<b>70,444,978</b>

(\*) As of December 31, 2024, TRY 1,017,231 consists of credit card receivables with a maturity of less than 3 months (December 31, 2023: TRY 1,230,006).

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

Up to 30 days	45,859,327	68,915,946
30-90 days	4,956,498	1,529,032
	<b>50,815,825</b>	<b>70,444,978</b>

NOTE 6 - FINANCIAL INVESTMENTS

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

	December 31, 2024	December 31, 2023
Financial assets that its fair value gain/losses of reflected to other comprehensive income	234,939	204,642
<b>Total</b>	<b>234,939</b>	<b>204,642</b>

The details of financial investments for the years ended December 31, are as follows:

	2024	2023
<b>As of January 1</b>	<b>204,642</b>	<b>209,067</b>
Additions	167,966	16,936
Disposal	(22,590)	-
Change in fair value	1,268	(21,497)
Currency translation differences	(3,801)	136
Impairment (Note 28)	(112,546)	-
<b>As of December 31</b>	<b>234,939</b>	<b>204,642</b>

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**NOTE 7 - BORROWINGS**

**a) Short-term borrowings**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Short-term bank borrowings	34,798,002	56,688,390
Short-term lease liabilities	2,442,191	1,369,371
Payables due to factoring activities	1,051,923	1,005,371
Other short-term borrowings (*)	13,086,082	15,273,300
<b>Total short-term borrowings</b>	<b>51,378,198</b>	<b>74,336,432</b>
Short-term portion of long-term bank borrowings and interest accruals	5,764,070	6,858,961
Short term portion of long-term bond issued and interest accruals	5,124,522	1,747,897
<b>Total short-term portion of long-term borrowings</b>	<b>10,888,592</b>	<b>8,606,858</b>

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

As of December 31, 2024, the details of short-term bank borrowings and credit cards borrowings are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original Currency</b>	<b>TRY Equivalent</b>
Turkish Lira	30.9	17,655,884,032	17,655,884
US Dollar	5.8	260,185,306	9,164,585
Euro	5.9	235,394,118	8,649,063
Bangladeshi Taka	12.5	11,904,831,347	3,512,163
Pakistani Rupee	15.5	20,693,307,319	2,602,804
Russian Ruble	23.2	4,821,907,104	1,614,471
Thai Baht	5.6	1,168,318,571	1,208,976
Australian Dollar	9.0	32,215,764	705,651
Romanian Lei	7.6	70,195,921	515,336
Norwegian Krone	6.1	161,416,770	499,365
Chinese Yuan	3.7	81,638,785	391,743
Swedish Krona	4.0	112,270,896	358,032
Moroccan Dirham	6.0	100,604,843	351,312
Malaysian Ringgit	6.6	31,436,518	248,220
Indonesian Rupiah	9.3	99,606,224,859	218,138
Czech Koruna	8.8	127,492,393	186,241
Swiss Franc	5.8	53,902	2,100
			<b>47,884,084</b>

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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:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original Currency</b>	<b>TRY Equivalent</b>
Euro	5.9	879,714,494	41,372,799
Turkish Lira	40.1	10,442,233,226	15,076,370
Bangladeshi Taka	9.3	8,290,029,471	3,213,329
US Dollar	5.8	66,381,706	2,821,390
Polish Zloty	7.1	200,344,769	2,174,824
Pakistani Rupee	23.2	14,095,040,024	2,137,794
Russian Ruble	18.2	2,162,570,308	1,018,211
Swedish Krona	4.0	225,086,040	952,149
British Pound	6.2	16,617,394	898,300
Australian Dollar	6.1	30,321,067	876,476
Thai Baht	5.5	326,982,692	405,603
Malaysian Ringgit	6.0	31,999,012	296,252
Indonesian Rupiah	9.5	91,260,500,000	251,664
Norwegian Krone	6.1	48,905,999	203,773
Czech Koruna	5.8	77,724,132	148,172
Romanian Lei	8.7	10,100,000	94,949
Chinese Yuan	4.7	3,300,036	19,635
			<b>71,961,690</b>

As of December 31, 2024, the details of payables due to factoring activities are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original Currency</b>	<b>TRY Equivalent</b>
Euro	4.6	15,313,406	562,659
Polish Zloty	6.8	35,080,673	303,122
British Pound	6.3	4,206,883	186,137
Russian Ruble	21.5	15,588	5
			<b>1,051,923</b>

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

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original Currency</b>	<b>TRY Equivalent</b>
British Pound	6.2	4,778,851	487,577
Polish Zloty	6.8	44,915,601	258,334
Euro	5.1	5,406,677	254,276
Russian Ruble	14.5	2,482,398	4,015
Swiss Franc	7.0	79,532	1,169
			<b>1,005,371</b>

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**NOTE 7 - BORROWINGS (Continued)**

**b) Long-term borrowings**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Long-term bonds issued (**)	37.031.512	22,443,407
Long-term bank borrowings	32,275,420	37,616,035
Long-term lease liabilities	6,469,358	4,133,033
	<b>75.776.290</b>	<b>64,192,475</b>

**(\*\*) Long term bond issued:**

**2024:**

The Company issued bond amounting to TRY 2,000,000 quoted on January 23, 2024 in Borsa İstanbul with fixed interest coupon payments every 3 months. Maturity of the bonds is January 21, 2025, and the coupon rate is 44%.

The Company issued bond amounting to TRY 2,000,000 quoted on February 16, 2024 in Borsa İstanbul with fixed interest coupon payments every 3 months. 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 fixed interest coupon payments every 3 months. Maturity of the bonds is April 6, 2026, and the coupon rate is 46.5%.

**Before 2024:**

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%.

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.

As of December 31, 2024, the details of the long-term bank borrowings are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original Currency</b>	<b>TRY Equivalent</b>
Euro	4.6	939,668,862	34,524,270
South Africa Rand	9.5	1,764,874,728	3,317,612
US Dollar	8.4	50,843,606	1,790,880
Pakistani Rupee	17.2	7,716,524,926	970,584
Bangladeshi Taka	12.5	2,669,510,290	787,560
Romanian Lei	7.5	103,261,941	758,087
British Pound	7.4	10,000,000	442,458
Turkish Lira	37.4	204,130,933	204,131
			<b>42,795,582</b>
Short-term portion of long-term loans and interest accruals			(5.764.070)
			<b>37.031.512</b>

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**NOTE 7 - BORROWINGS (Continued)**

**b) Long-term borrowings (Continued)**

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

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original Currency</b>	<b>TRY Equivalent</b>
Euro	4.8	441,113,604	20,745,485
South Africa Rand	9.5	1,446,071,562	3,333,230
US Dollar	9.2	50,928,713	2,164,599
Pakistani Rupee	22.6	7,991,914,521	1,212,134
Romanian Lei	7.4	77,703,397	730,484
British Pound	7.5	10,000,000	540,579
Turkish Lira	39.8	312,972,830	451,867
Russian Ruble	18.0	263,340,822	123,990
			<b>29,302,368</b>
Short-term portion of long-term loans and interest accruals			(6,858,961)
			<b>22,443,407</b>

As of December 31, 2024, detail of discounted amounts of long-term bonds issued is given below:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original currency</b>	<b>TRY equivalent</b>
US Dollar	8.5	511,505,525	17,952,711
Euro	3	356,271,233	13,088,626
Turkish Lira	46.4	6,358,605,127	6,358,605
			<b>37,399,942</b>
Short-term portion of long-term bonds issued and interest accruals			(5,124,522)
			<b>32,275,420</b>

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

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original currency</b>	<b>TRY Equivalent</b>
US Dollar	8.5	508,493,572	21,612,257
Euro	3	356,202,655	16,752,141
Turkish Lira	28.3	692,300,000	999,534
			<b>39,363,932</b>
Interest accruals of long-term bonds issued			(1,747,897)
			<b>37,616,035</b>

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
2025	-	4,808,117
2026	19,828,945	20,996,848
2027 to 2034	49,477,987	34,254,477
	<b>69,306,932</b>	<b>60,059,442</b>

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**NOTE 7 - BORROWINGS (Continued)**

**b) Long-term borrowings (Continued)**

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Up to 3 months	28,858,482	54,212,582
3 - 12 months	26,892,505	24,272,052
1-5 years	68,719,708	54,958,646
Over 5 years	1,369,508	4,948,379
	<b>125,840,203</b>	<b>138,391,659</b>

As of December 31, 2024, and 2023, financial debt reconciliation is as follows:

<b>2024</b>	<b>Lease Liabilities</b>	<b>Borrowings and bonds issued due within 1 year</b>	<b>Borrowings and bonds issued due after 1 year</b>	<b>Total</b>
<b>Financial debt as of January 1</b>	<b>5,502,404</b>	<b>81,573,919</b>	<b>60,059,442</b>	<b>147,135,765</b>
Cash flows	(4,383,374)	510,130	24,982,696	21,109,452
Transfer	-	3,150,063	(3,150,063)	-
Changes in interest accruals	804,075	49,135	-	853,210
Changes in factoring liabilities	-	46,552	-	46,552
Changes in lease liabilities	2,799,960	-	-	2,799,960
Acquisitions (Note 3)	6,368,974	-	-	6,368,974
Currency translation adjustments	(1,962,172)	(7,066,366)	3,930,471	(5,098,067)
Inflation adjustments	(218,318)	(18,438,834)	(16,515,614)	(35,172,766)
<b>Financial debt as of December 31</b>	<b>8,911,549</b>	<b>59,824,599</b>	<b>69,306,932</b>	<b>138,043,080</b>

<b>2023</b>	<b>Lease Liabilities</b>	<b>Borrowings and bonds issued due within 1 year</b>	<b>Borrowings and bonds issued due after 1 year</b>	<b>Total</b>
<b>Financial debt as of January 1</b>	<b>5,456,524</b>	<b>82,383,078</b>	<b>34,532,653</b>	<b>122,372,255</b>
Cash flows	(2,790,664)	22,297,159	30,926,856	50,433,351
Transfer	-	1,601,621	(1,601,621)	-
Changes in interest accruals	473,675	(655,929)	-	(182,254)
Changes in factoring liabilities	-	(321,622)	-	(321,622)
Changes in lease liabilities	2,769,908	-	-	2,769,908
Currency translation adjustments	(213,611)	8,374,213	12,578,742	20,739,344
Inflation adjustments	(193,428)	(32,104,601)	(16,377,188)	(48,675,217)
<b>Financial debt as of December 31</b>	<b>5,502,404</b>	<b>81,573,919</b>	<b>60,059,442</b>	<b>147,135,765</b>

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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.

	December 31, 2024			December 31, 2023		
	Contract amount	Fair value assets	/(liabilities)	Contract amount	Fair value assets	/(liabilities)
<i>Short-term derivative instruments</i>						
<i>Held for trading:</i>						
Foreign currency forward transactions	57,764,427	236,892	(249,530)	72,432,973	526,776	(131,819)
Foreign currency swap contracts	68,241,179	172,493	(77,551)	32,959,549	127,749	(53,666)
<b>Short-term derivative instruments, net</b>		<b>409,385</b>	<b>(327,081)</b>		<b>654,525</b>	<b>(185,485)</b>
<i>Long-term derivative instruments</i>						
<i>Cash flow hedge:</i>						
Interest rate swap contracts (*)	13,755,094	34,852		19,859,435		(1,122,413)
<b>Long-term derivative instruments, net</b>		<b>34,852</b>				<b>(1,122,413)</b>

(\*) 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 exchange rate 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 December 31, 2024 is TRY 14,089,320. The after-tax impact recorded in the "gains/(losses) from cash flow hedges" account in the other comprehensive income statement for the period ended December 31, 2024 related to this transaction is TRY 787,342.

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**NOTE 9 - TRADE RECEIVABLES AND PAYABLES**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Short-term trade receivables:</b>		
Trade receivables	90,598,112	92,234,994
Notes receivables	2,559,521	4,157,709
Cheques receivables	3,194,548	1,728,744
<b>Short-term trade receivables (gross)</b>	<b>96,352,181</b>	<b>98,121,447</b>
Provision for expected credit loss	(1,720,065)	(1,091,857)
Unearned credit finance income	(2,350,105)	(1,819,406)
<b>Short-term trade receivables (net)</b>	<b>92,282,011</b>	<b>95,210,184</b>

As of December 31, 2024, the Group has offsetted TRY 9,669,577 (December 31, 2023: TRY 9,426,270) 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 776,214 related with its local bank borrowings (December 31, 2023: TRY 522,113).

The movements of expected credit loss for the years ended December 31, are as follows:

	<b>2024</b>	<b>2023</b>
<b>As of January, 1</b>	<b>1,091,857</b>	<b>1,813,029</b>
Current year additions (Note 27)	307,613	299,528
Provisions no longer required (Note 27)	(121,671)	(48,738)
Acquisitions (Note 3)	1,116,832	5,341
Write-offs (*)	(184,081)	(700,208)
Currency translation differences	(430,123)	(141,076)
Inflation adjustments	(60,362)	(136,019)
<b>As of December, 31</b>	<b>1,720,065</b>	<b>1,091,857</b>

(\*) 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.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Long-term trade receivables</b>		
Trade receivables	40,991	85,475
Unearned credit finance income	(6,142)	(36,210)
	<b>34,849</b>	<b>49,265</b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Short-term trade payables:</b>		
Trade payables	91,606,359	67,090,692
Debt accruals	6,564,860	4,965,708
Unearned credit finance charges	(1,409,376)	(1,341,776)
	<b>96,761,843</b>	<b>70,714,624</b>

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**NOTE 10 - OTHER PAYABLES**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Taxes and other deductions	5,039,129	5,074,847
Dividend payables to shareholders	41,586	51,516
Deposits and guarantees received	40,851	50,476
Other	708,247	599,817
	<b>5,829,813</b>	<b>5,776,656</b>

**NOTE 11 - INVENTORIES**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials and supplies	31,694,764	27,696,441
Work in progress	2,386,110	2,278,004
Finished goods	31,295,159	37,957,626
Trade goods	7,696,910	1,496,953
<b>Inventories (gross)</b>	<b>73,072,943</b>	<b>69,429,024</b>
Provisions for impairment on inventories	(1,349,516)	(923,194)
<b>Inventories (net)</b>	<b>71,723,427</b>	<b>68,505,830</b>

In accordance with Pakistan financial market practices, Dawlance, a subsidiary of Arcelikhas an inventory collateral amounting to TRY 730,042 for borrowings made from local banks (December 31, 2023: TRY 574,257).

Allocation of the provisions for impairment on inventories in terms of inventory type is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials and supplies	(461,014)	(375,418)
Finished goods	(768,158)	(382,977)
Trade goods	(120,344)	(164,799)
	<b>(1,349,516)</b>	<b>(923,194)</b>

Movements of provisions for impairment on inventories for the periods ended December 31 are as follows:

	<b>2024</b>	<b>2023</b>
<b>As of January 1</b>	<b>923,194</b>	<b>919,006</b>
Current year additions (Note 26, 27) (*)	322,140	527,617
Realized due to sales of inventories (Note 26, 27) (*)	(793,256)	(330,475)
Acquisitions (Note 3)	1,175,605	-
Currency translation differences	(278,167)	(192,954)
<b>As of December 31</b>	<b>1,349,516</b>	<b>923,194</b>

(\*) Within the provisions made during the period, there is an impairment provision of TRY 92,184 related to restructuring expenses. For detailed information, Note 27 can be referred to.

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NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2024		December 31, 2023	
	%	TRY	%	TRY
Koç Finansman	47.0	1,044,390	47.0	902,688
Arçelik – LG	45.0	902,121	45.0	796,469
VoltBek	49.0	433,682	49.0	291,667
Ram Dış Ticaret	33.5	117,156	33.5	111,500
		<b>2,497,349</b>		<b>2,102,324</b>

The movements of associates for the years ended December 31, are as follows:

	2024	2023
<b>As of January 1</b>	<b>2,102,324</b>	<b>2,959,673</b>
Shares of income/loss of associates	(176,070)	(695,070)
Shares of other comprehensive income/loss of associates	(6,150)	(33,011)
Elimination of gross profit on inventories	(10,997)	30,901
Share participation in associates	526,203	-
Cash dividends from associates	(55,566)	(35,413)
Currency translation differences	117,605	(124,756)
<b>As of December 31</b>	<b>2,497,349</b>	<b>2,102,324</b>

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

	2024	2023
Koç Finansman	169,709	38,807
Arçelik - LG	122,124	(106,323)
Ram Dış Ticaret	33,880	48,067
VoltBek	(501,783)	(675,621)
	<b>(176,070)</b>	<b>(695,070)</b>

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	January 1 2024	Additions	Disposals	Transfers (*)	Acquisitions (**)	Currency Translation Differences	December 31 2024
<b>Cost</b>							
Land	3,401,380	9,638	(1,895)	7,599	3,318,444	(897,617)	<b>5,837,549</b>
Land improvements	1,024,432	88,938	(54)	3,347	-	(12,071)	<b>1,104,592</b>
Buildings	30,748,117	3,745,079	(2,541,528)	2,452,719	15,236,342	(7,814,649)	<b>41,826,080</b>
Machinery. equipment and moulds	90,134,220	4,629,572	(1,616,045)	8,151,570	11,054,782	(13,355,023)	<b>98,999,076</b>
Motor vehicles and fixtures	19,447,134	1,700,200	(618,297)	(1,836,959)	510,284	(1,364,571)	<b>17,837,791</b>
Leasehold improvements	1,625,819	69,649	(40,518)	21,385	164,366	(220,198)	<b>1,620,503</b>
Construction in progress	8,959,246	10,906,539	-	(9,561,000)	2,709,791	(1,696,782)	<b>11,317,794</b>
<b>Total</b>	<b>155,340,348</b>	<b>21,149,615</b>	<b>(4,818,337)</b>	<b>(761,339)</b>	<b>32,994,009</b>	<b>(25,360,911)</b>	<b>178,543,385</b>
<b>Accumulated depreciation:</b>							
Land improvements	(755,278)	(22,559)	54	-	-	2,487	<b>(775,296)</b>
Buildings	(12,215,800)	(3,889,025)	1,759,411	(60,914)	-	2,899,745	<b>(11,506,583)</b>
Machinery. equipment and moulds	(63,829,612)	(7,119,556)	1,264,652	(2,219,394)	-	9,291,242	<b>(62,612,668)</b>
Motor vehicles and fixtures	(12,983,280)	(1,886,588)	483,250	2,025,717	-	681,824	<b>(11,679,077)</b>
Leasehold improvements	(1,176,787)	(121,012)	14,112	(16,471)	-	146,210	<b>(1,153,948)</b>
<b>Total</b>	<b>(90,960,757)</b>	<b>(13,038,740)</b>	<b>3,521,479</b>	<b>(271,062)</b>	<b>-</b>	<b>13,021,508</b>	<b>(87,727,572)</b>
<b>Net book value</b>	<b>64,379,591</b>	<b>8,110,875</b>	<b>(1,296,858)</b>	<b>(1,032,401)</b>	<b>32,994,009</b>	<b>(12,339,403)</b>	<b>90,815,813</b>

(\*) The amount of TRY 1,032,401 has been transferred from property, plant and equipment to other intangible assets (Note 14).

(\*\*) Due to acquisition of Whirlpool EMEA and Whirlpool MENA realized at April 1, 2024 (Note 3).

As at 31 December 2024, capitalized borrowing cost is TRY 327,482 (31 December 2023: TRY 134,855).

The total amount of depreciation expenses capitalized in 2024 is TRY 95,163. (2023: TRY 95,707).

There are no mortgages on property, plant and equipment as of December 31, 2024 (December 31, 2023: None).

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**NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

As of December 31, 2024, and December 31, 2023 the details of right-of-use assets recognized in the consolidated financial statements are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Land improvements	14,260	17,308
Buildings	8,238,749	5,168,400
Machinery, equipments and moulds	198,441	168,838
Motor vehicles	819,903	609,242
<b>Total right-of-use</b>	<b>9,271,353</b>	<b>5,963,788</b>

Additions to rights-to-use assets for the year ended December 31, 2024, TRY 3,311,321 (2023: TRY 3,359,676), depreciation expenses are TRY 3,949,570 (2023: TRY 2,519,040). The acquisition amount arising from business combinations is TRY 6,368,974.

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	January 1 2023	Additions	Disposals	Transfer (*)	Acquisition (**)	Currency Translation Differences	December 31 2023
<b>Cost</b>							
Land	3,545,708	87,687	(4,479)	-	-	(227,536)	<b>3,401,380</b>
Land improvements	1,015,458	16,651	(6,624)	35	-	(1,088)	<b>1,024,432</b>
Buildings	31,797,303	3,044,676	(2,400,153)	120,114	53,113	(1,866,936)	<b>30,748,117</b>
Machinery. equipment and moulds	92,366,470	3,241,515	(4,323,690)	2,156,580	11,924	(3,318,579)	<b>90,134,220</b>
Motor vehicles and fixtures	18,507,491	2,212,326	(1,220,076)	394,775	30,799	(478,181)	<b>19,447,134</b>
Leasehold improvements	1,590,540	138,557	(41,558)	(23,606)	-	(38,114)	<b>1,625,819</b>
Construction in progress	3,889,321	8,205,675	-	(2,776,904)	-	(358,846)	<b>8,959,246</b>
<b>Total</b>	<b>152,712,291</b>	<b>16,947,087</b>	<b>(7,996,580)</b>	<b>(129,006)</b>	<b>95,836</b>	<b>(6,289,280)</b>	<b>155,340,348</b>
<b>Accumulated depreciation:</b>							
Land improvements	(732,377)	(28,743)	5,612	-	-	230	(755,278)
Buildings	(12,080,136)	(2,485,706)	1,799,202	-	-	550,840	(12,215,800)
Machinery. equipment and moulds	(64,612,453)	(5,308,759)	3,906,751	-	-	2,184,849	(63,829,612)
Motor vehicles and fixtures	(12,239,219)	(1,882,582)	835,341	-	-	303,180	(12,983,280)
Leasehold improvements	(1,164,988)	(74,043)	37,544	-	-	24,700	(1,176,787)
<b>Total</b>	<b>(90,829,173)</b>	<b>(9,779,833)</b>	<b>6,584,450</b>	<b>-</b>	<b>-</b>	<b>3,063,799</b>	<b>(90,960,757)</b>
<b>Net book value</b>	<b>61,883,118</b>	<b>7,167,254</b>	<b>(1,412,130)</b>	<b>(129,006)</b>	<b>95,836</b>	<b>(3,225,481)</b>	<b>64,379,591</b>

(\*) The amount of TRY 129,006 has been transferred from property, plant and equipment to other intangible assets (Note 14).

(\*\*) Due to acquisition of Asogem N.V. and Asogem Nederland B.V. completed at January 2, 2023.

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NOTE 14 - OTHER INTANGIBLE ASSETS

	January 1 2024	Additions	Disposals	Transfer (*)	Acquisition (**)	Currency Translation Differences	December 31, 2024
<b>Cost:</b>							
Brands	9,304,407	-	-	-	4,085,783	(2,104,326)	11,285,864
Development costs	24,398,754	5,476,865	-	(29,223)	-	(158,030)	29,688,366
Computer software and rights	7,866,289	576,046	(34,613)	1,061,624	3,942,239	(3,777,167)	9,634,418
Trademark licenses and patents	415,092	-	(546)	-	-	(97,305)	317,241
Customer relationships	9,860,613	-	-	-	396,246	(1,814,664)	8,442,195
<b>Total</b>	<b>51,845,155</b>	<b>6,052,911</b>	<b>(35,159)</b>	<b>1,032,401</b>	<b>8,424,268</b>	<b>(7,951,492)</b>	<b>59,368,084</b>
<b>Accumulated depreciation:</b>							
Development costs	(15,346,635)	(1,495,729)	-	-	-	5,140	(16,837,224)
Computer software and rights	(4,885,318)	(1,260,360)	31,873	-	-	3,041,884	(3,071,921)
Trademark licenses and patents	(164,391)	(32,584)	546	-	-	42,667	(153,762)
Customer relationships	(2,718,295)	(817,747)	-	-	-	544,427	(2,991,615)
<b>Total</b>	<b>(23,114,639)</b>	<b>(3,606,420)</b>	<b>32,419</b>	<b>-</b>	<b>-</b>	<b>3,634,118</b>	<b>(23,054,522)</b>
<b>Net book value</b>	<b>28,730,516</b>	<b>2,446,491</b>	<b>(2,740)</b>	<b>1,032,401</b>	<b>8,424,268</b>	<b>(4,317,374)</b>	<b>36,313,562</b>

(\*) An amount of TRY 1,032,401 has been transferred from property, plant and equipment to other intangible assets (Note 13).

(\*\*) Due to acquisition of Whirlpool EMEA ve Whirlpool MENA realized at April 1, 2024 (Note 3).

The breakdown of depreciation and amortization by functional expense is summarized in a table within Note 26.

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NOTE 14 - OTHER INTANGIBLE ASSETS (Continued)

	January 1 2023	Additions	Disposals	Transfer (*)	Acquisition (**)	Currency Translation Differences	December 31, 2023
<b>Cost:</b>							
Brands	9,909,616	-	-	-	-	(605,209)	9,304,407
Development costs	20,498,257	4,364,122	(576,715)	122,092	-	(9,002)	24,398,754
Computer software and rights	7,446,967	671,493	(147,053)	6,914	1,955	(113,987)	7,866,289
Trademark licenses and patents	564,930	5,967	(2,870)	-	-	(152,935)	415,092
Customer relationships	9,775,534	-	-	-	944,933	(859,854)	9,860,613
<b>Total</b>	<b>48,195,304</b>	<b>5,041,582</b>	<b>(726,638)</b>	<b>129,006</b>	<b>946,888</b>	<b>(1,740,987)</b>	<b>51,845,155</b>
<b>Accumulated depreciation:</b>							
Development costs	(13,931,763)	(1,426,907)	11,572	-	-	463	(15,346,635)
Computer software and rights	(4,538,810)	(514,585)	141,428	-	-	26,649	(4,885,318)
Trademark licenses and patents	(137,733)	(42,533)	2,639	-	-	13,236	(164,391)
Customer relationships	(2,017,344)	(914,541)	--	-	-	213,590	(2,718,295)
<b>Total</b>	<b>(20,625,650)</b>	<b>(2,898,566)</b>	<b>155,639</b>	<b>-</b>	<b>-</b>	<b>253,938</b>	<b>(23,114,639)</b>
<b>Net book value</b>	<b>27,569,654</b>	<b>2,143,016</b>	<b>(570,999)</b>	<b>129,006</b>	<b>946,888</b>	<b>(1,487,049)</b>	<b>28,730,516</b>

(\*) An amount of TRY 129,006 has been transferred from property, plant and equipment to other intangible assets (Note 13).

(\*\*) Due to acquisition of Asogem N.V. and Asogem Nederland B.V. completed at January 2, 2023.

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**NOTE 14 - OTHER INTANGIBLE ASSETS (Continued)**

The carrying values of the brands of the Group are as below:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Grundig (*)	3,162,172	4,058,548
Defy (*)	1,959,137	2,330,598
Hotpoint (**)	1,619,272	-
Beko	1,617,622	1,617,622
Indesit (**)	903,185	-
Dawlance (*)	896,267	1,038,582
Bauknecht (**)	847,432	-
Leisure	135,336	181,503
Bloomberg	77,528	77,528
Privileg (**)	67,871	-
Other	42	26
	<b>11,285,864</b>	<b>9,304,407</b>

(\*) The amounts in the original currency of the brands are equal, and the changes between the years are solely attributable to foreign currency translation differences and index effects..

(\*\*) The relevant brands were added as part of the business combination dated April 1, 2024.

*Brands impairment test*

As of December 31, 2024, the brands have been subjected to an impairment test using the royalty relief method. In determining the value of the brands, sales forecasts based on financial plans covering five-year periods, deemed appropriate by management, have been utilized. Sales forecasts extending beyond the five-year periods have been calculated using an expected growth rate ranging from 3.0% to 6.5%. Estimated royalty revenues have been determined by applying royalty rates varying between 2.0% and 3.0% to the sales forecasts. The royalty revenues calculated using this method have been discounted using post-tax rates ranging from 8.3% to 14.9%.

The total fair value calculated for the brands is approximately 7.1 times the carrying amount. If the post-tax discount rate used in the fair value assessment is increased by 1.0%, the fair value exceeds the carrying amount by more than 6 times. Furthermore, sensitivity analyses conducted have not identified any impairment..

**NOTE 15 - GOODWILL**

	<b>2024</b>	<b>2023</b>
<b>As of January 1</b>	<b>10,495,331</b>	<b>10,902,685</b>
Acquisitions	-	498,326
Currency translation differences	(1,948,432)	(905,680)
<b>As of December 31</b>	<b>8,546,899</b>	<b>10,495,331</b>

Details of goodwill are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Hitachi	4,800,183	5,792,184
Defy	1,527,779	1,873,360
Singer	1,119,355	1,470,671
Dawlance	654,267	788,938
Asogem	405,591	519,143
Grundig	39,724	51,035
	<b>8,546,899</b>	<b>10,495,331</b>

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**NOTE 15 - GOODWILL (Continued)**

*Goodwill impairment test*

Goodwill is subject to impairment test every year. The recoverable amounts of cash generating units are determined on value in use basis.

Value in use is determined by discounting the expected future cash flows to be generated by the cash-generating unit. The below key assumptions are used in the calculation of the value in use as of December 31, 2024.

The projection period for the purposes of goodwill impairment testing is approved by the management as 5 years between January 1, 2025 and December 31, 2029.

Cash flows for further periods (perpetuity) were extrapolated using a constant growth rate of 1.0% - 6.5% which does not exceed the estimated average growth rate of economy of the country.

Weighted average cost of capital rate of 11% - 14.9% is used as after-tax discount rate in order to calculate the recoverable amount of the unit.

The post-tax rate was adjusted considering the tax cash outflows and other future tax cash flows and differences between the cost of the assets and their tax bases.

*Defy Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test*

Recoverable value of cash generating unit is 18.2% above of goodwill included book value of related cash generating unit. In the calculation of the present value of future cash flows, estimations on earnings before interest tax depreciation amortization (“EBITDA”), long term growth rate and discount rates are taken into account.

*EBITDA growth expectations*

In original assumption, five-year compound average growth rate of EBITDA is 13.1%. Had the compound average growth rate been assumed to be 12.1%, the recoverable amount would have been calculated as 4.5% above the goodwill included book value of cash generating unit and resulting no impairment provision.

*Long term growth rate*

Originally, the long-term growth rate is assumed to be 6.5%. Had the rate been assumed to be 5.5%, the recoverable amount would have been 4.5% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

*Discount rate*

Originally, the discount rate is assumed to be 13.9%. Had the rate been assumed to be 14.9%, the recoverable amount would have been 2.7% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

*Dawlance Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test*

Recoverable value of cash generating unit is 47.7% above of goodwill included book value of related cash generating unit. In the calculation of the present value of future cash flows, estimations on earnings before interest,tax,depreciation, and amortization (“EBITDA”), long term growth rate and discount rates are taken into account.

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**NOTE 15 - GOODWILL (Continued)**

*Dawlance Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test (Continued)*

EBITDA growth expectations

In original assumption, five-year compound average growth rate of EBITDA is 25.8%. Had the compound average growth rate been assumed to be 24.8%, the recoverable amount would have been calculated as 56.0% above the goodwill included book value of cash generating unit and resulting no impairment provision.

Long term growth rate

Originally, the long-term growth rate is assumed to be 4.5%. Had the rate been assumed to be 3.5%, the recoverable amount would have been 37.8% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Discount rate

Originally, the discount rate is assumed to be 14.9%. Had the rate been assumed to be 15.9%, the recoverable amount would have been 57.1% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

*Hitachi Group operations as a cash generating unit and sensitivity to the changes in assumptions in impairment test*

Recoverable value of cash generating unit is 78.4% above of goodwill included book value of related cash generating unit. In the calculation of the present value of future cash flows, estimations on earnings before interest tax depreciation amortization (“EBITDA”), long term growth rate and discount rates are taken into account.

EBITDA growth expectations

In original assumption, five-year compound average growth rate of EBITDA is 11%. Had the compound average growth rate been assumed to be 10%, the recoverable amount would have been calculated as 85.9% above the goodwill included book value of cash generating unit and resulting no impairment provision.

Long term growth rate

Originally, the long-term growth rate is assumed to be 1%. Had the rate been assumed to be 0%, the recoverable amount would have been 30.5% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

Discount rate

Originally, the discount rate is assumed to be 11%. Had the rate been assumed to be 12%, the recoverable amount would have been 31.7% above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

*Singer Group operations as a cash generating unit in impairment test*

The Group used the market value calculated over Singer’s share price traded on the Bangladesh Stock Exchange as of December 31, 2024, in order to test the impairment of the goodwill generated during the acquisition of Singer, its public affiliate. As of December 31, 2024, the market value of the company is 24.9% above the total of goodwill and book value and no provision for impairment is required. In case the value of the mentioned shares decreases by 20%, the market value of the company remains 16.2% above the total of goodwill and book value and no provision for impairment is required.

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**NOTE 16 - GOVERNMENT GRANTS**

There are investment incentive certificates to which the Company has been entitled by the official authorities in connection with certain capital expenditures. The grants obtained by the Company in nature are as follows:

- a) 100% exemption from customs duty on machinery and equipment to be imported,
- b) Value-added tax exemption with respect to purchases of investment goods both from domestic and export markets,
- c) Incentives under the jurisdiction of the research and development law (100% corporate tax exemption, Social Security Institution incentives, etc.),
- d) Inward processing permission certificates,
- e) Cash refund from Tübitak - Teydeb for research and development expenses,
- f) Taxes and funds exemptions for R&D centres which are regulated under research and development law.
- g) Reduced corporate tax,
- h) Employer's share of insurance premium support,
- ı) Brand support incentive (known as "Turquality") given by Republic of Turkey Ministry of Trade.
- j) Grant has been received from the United Nations Industrial Development Organization (UNIDO) and from the Department of Trade and Industry of Romania and Republic of South Africa for the purchase of certain items of plant and equipment.

Grants which are accounted for under other income from operating activities for year ended December 31, 2023 are as follows:

- i) Research and development incentive premiums received or confirmed to be received amounts to TRY 101,522 (December 31, 2023, TRY 76,275).
- ii) Brand support incentive (known as "Turquality") received from Republic of Turkey Ministry of Trade amounts to TRY 288,942 (December 31, 2023: TRY 70,484).

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**NOTE 17 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES**

As of December 31, 2024, export commitments from Turkey under the scope of inward processing authorization certificates as export incentives amounts to full USD 1,812,803,260 (December 31, 2023: USD 619,260,838). In case that the related tax advantages are not utilized, it is possible to close of the certificates including export commitments without any sanctions.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Collaterals obtained	40,682,261	37,181,093

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

<b>CPMB's given by the Company</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
A. CPMB's given for Company's own legal personality	6,426,121	7,061,417
B. CPMB's given on behalf of fully consolidated companies	32,132,213	14,084,610
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	-	-
<b>Total</b>	<b>38,558,334</b>	<b>21,146,027</b>

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

<b>CPMB's given by the Company</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Euro	24,539,422	4,597,179
US Dollar	5,302,939	9,551,946
Turkish Lira	1,339,241	863,382
Other currencies	7,376,732	6,133,520
	<b>38,558,334</b>	<b>21,146,027</b>

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**NOTE 18 - OTHER PROVISIONS**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Other short-term provisions</b>		
Warranty provisions	4,317,111	3,650,043
Provisions for lawsuit risks (*)	3,249,837	134,495
Assembly provisions	1,831,866	1,732,960
Provisions for transportation costs	1,464,758	1,631,418
Provisions for restructuring	966,338	-
Other	1,743,771	2,016,424
	<b>13,573,681</b>	<b>9,165,340</b>

(\*) As part of the merger with Whirlpool Euro Holdings B.V., an increase is observed in the comparative period due to the litigation risks carried by the related company.

<b>Other long-term provisions</b>		
Warranty provisions	2,582,014	1,614,501
Provisions for lawsuit risks (*)	89,181	796
Other	239,507	185,066
	<b>2,910,702</b>	<b>1,800,363</b>

The movements of warranty and assembly provisions for the years ended December 31, are as follows:

<b>Warranty provision</b>	<b>2024</b>	<b>2023</b>
<b>As of January 1</b>	<b>5,264,544</b>	<b>5,309,877</b>
Additions (Note 26)	10,846,026	9,059,651
Disposals	(10,569,810)	(8,351,372)
Acquisitions	3,226,514	176,251
Currency translation differences	(1,310,223)	(159,715)
Inflation effect	(557,926)	(770,148)
<b>As of December 31</b>	<b>6,899,125</b>	<b>5,264,544</b>
<b>Assembly provision</b>	<b>2024</b>	<b>2023</b>
<b>As of January 1</b>	<b>1,732,960</b>	<b>1,596,532</b>
Additions (Note 26)	6,046,632	4,838,449
Disposals	(5,289,346)	(3,870,857)
Currency translation differences	(20,739)	34,335
Inflation effect	(637,641)	(865,499)
<b>As of December 31</b>	<b>1,831,866</b>	<b>1,732,960</b>
<b>Assembly provision</b>		<b>2024</b>
<b>As of January 1</b>		-
Additions (Note 26)		990,518
Currency translation differences		(24,180)
<b>As of December 31</b>		<b>966,338</b>

As stated by the Group in the Public Disclosure Platform, restructuring processes have been initiated in Turkey, the United Kingdom, Italy, and Poland with the aim of creating efficiency and synergy. In this context, an expense of 11,840,803 TRY related to the restructuring has been reported under "Other Expenses from Operating Activities." The provisions for these expenses are classified in the financial position statement under the items "Inventories," "Short-Term Provisions," and "Liabilities under Employee Benefits." For detailed information regarding the restructuring activities, refer to Note 27.

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**NOTE 19 - LONG TERM PROVISION FOR EMPLOYEE BENEFITS**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Provision for employment termination benefits	3,474,858	4,909,049
Provision for pension obligations	3,947,854	-
Provision for vacation pay liability (*)	286	284
	<b>7,422,998</b>	<b>4,909,333</b>

(\*) As of December 31, 2024, vacation pay provisions in the amount of TRY 1,081,354 are shown in employee benefit obligation.

Under the Turkish Legislations, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month’s salary limited to a maximum of full TRY 41,828.42 as of December 31, 2024 (December 31, 2023: full TRY 23,489.83) for each period of service.

The provision for employee termination benefits is not funded, as there is no funding requirement.

In accordance with Turkish Labor Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future, the provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial gains and losses are accounted in equity as other comprehensive income or loss.

TFRS require actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans, The Group makes a calculation for the employment termination benefit by applying the prescribed liability method, by the experiences and by considering the personnel who become eligible for pension, this provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

Accordingly, the following demographic and financial actuarial assumptions were used in the calculation of the total liability:

	<b>2024</b>	<b>2023</b>
Net discount rate (%)	3.38	2.90
Turnover rate related the probability of retirement (%)	95.33	95.33

The principal assumption is that the maximum liability for each year of service will increase in line with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, As the maximum liability is revised semi-annually, the maximum amount of full TRY 46,655.43 (January 1, 2024: full TRY 35,058.58) which is effective from January 1, 2025 has been taken into consideration in calculating the reserve for employment termination benefits of the Company.

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NOTE 19 - LONG TERM PROVISION FOR EMPLOYEE BENEFITS (Continued)

Movements in the provisions for employment termination benefits for the years ended December 31, are as follows:

	2024	2023
<b>As of January 1</b>	<b>4,909,049</b>	<b>6,228,294</b>
Interest expense	398,969	211,057
Actuarial losses	928,702	1,298,976
Acquisitions	25,629	1,068
Service cost	477,779	555,795
Payments during the year	(2,062,381)	(1,659,779)
Currency translation differences	(393,342)	(85,289)
Inflation effect	(809,547)	(1,641,073)
<b>As of December 31</b>	<b>3,474,858</b>	<b>4,909,049</b>

There are defined benefits having the attributes of employment termination benefits in the foreign subsidiaries of the company. The geographical distribution of provision for employment termination benefits is as follows:

Turkey	1,854,332	2,993,797
–Foreign Countries	1,620,526	1,915,252
	<b>3,474,858</b>	<b>4,909,049</b>

*Retirement obligations provision*

Movements in the provisions for pension obligations for the years ended December 31, are as follows:

	2024
<b>As of January 1</b>	-
Interest expense	84,052
Actuarial losses	(33,290)
Acquisitions (Note 3)	6,072,261
Service cost	34,034
Currency translation differences	(1,366,955)
Inflation effect	(842,248)
<b>As of December 31</b>	<b>3,947,854</b>

The discount rates and mortality tables used in the calculation of retirement benefit obligations vary by country. The discount rates range from 0.9% to 5.5%.

For mortality rate calculations, the following mortality tables are used: France: TH TF 18-20 mortality table, Germany: Heubeck 2018 G mortality table, Ireland: ILT17 mortality table, Italy: ISTAT 2023 mortality table, Switzerland: BVG 2020 CMI 1.5% mortality table, United Kingdom: CMI 2023 mortality table.

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NOTE 20 - PREPAID EXPENSES

	December 31, 2024	December 31, 2023
Short-term prepaid expenses	3,855,613	2,303,517
Advances given for inventories	972,556	1,148,803
<b>Short term prepaid expenses</b>	<b>4,828,169</b>	<b>3,452,320</b>
	December 31, 2024	December 31, 2023
Advances given for fixed assets	4,851,012	6,850,238
Other	660,902	390,787
<b>Long term prepaid expenses</b>	<b>5,511,914</b>	<b>7,241,025</b>

NOTE 21 - CURRENT INCOME TAX ASSETS

	December 31, 2024	December 31, 2023
Prepaid taxes and funds	1,847,481	2,492,387
	<b>1,847,481</b>	<b>2,492,387</b>

NOTE 22 - EMPLOYEE BENEFIT OBLIGATIONS

	December 31, 2024	December 31, 2023
Payables to personnel (*)	13,621,693	4,011,827
Social security payables	2,012,468	1,601,057
Accruals for bonuses and premiums	1,477,122	531,764
	<b>17,111,283</b>	<b>6,144,648</b>

(\*) In the 'Due to Personnel' account, an increase was recorded due to the severance pay amounts of TRY 9,632,885 to be paid to employees within the scope of the Group's restructuring process. For detailed information, please refer to Note 27.

NOTE 23 - OTHER ASSETS AND LIABILITIES

	December 31, 2024	December 31, 2023
<b>Other current assets:</b>		
Value added tax and special consumption tax receivables	2,852,479	3,239,042
Taxes and funds deductible	1,205,611	876,750
Advances given	383,473	424,920
Income accruals	274,821	288,989
Deposits and guarantees given	274,628	214,490
Other	903,431	244,198
	<b>5,894,443</b>	<b>5,288,389</b>

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**NOTE 23 - OTHER ASSETS AND LIABILITIES (Continued)**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Other current liabilities:</b>		
Accruals of quotas and incentive premiums	15,258,082	12,095,782
Advances received	2,563,532	2,420,537
Deferred payment from customer contracts (Note 25)	703,978	518,787
Value added tax and special consumption tax payables	480,532	73
Other	457,278	483,859
	<b>19,463,402</b>	<b>15,519,038</b>
<b>Other long-term liabilities:</b>		
Deferred payment from customer contract (Note 25)	4,155,192	3,437,568
Liabilities related to acquisitions (*)	3,455,625	5,580,907
Other (**)	3,021,163	1,809,277
	<b>10,631,980</b>	<b>10,827,752</b>

(\*) The purchase price 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 December 31, 2024 and 2023 (Note 28, Note 30).

(\*\*) The amount of TRY 1,242,149 included in "Other items" represents the contingent purchase price to be paid within the scope of business combinations.

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NOTE 24 - 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:

	December 31, 2024	December 31, 2023
Authorized 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:

	December 31, 2024		December 31, 2023	
	Share (%)	Amount	Share (%)	Amount
<b>Shareholders</b>				
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
<b>Total Koç Family members and companies owned by Koç Family members</b>	<b>52.85</b>	<b>357,096</b>	<b>52.85</b>	<b>357,096</b>
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 Vakfı	4.27	28,863	4.27	28,863
Vehbi Koç Vakfı	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
<b>Paid-in capital</b>	<b>100.00</b>	<b>675,728</b>	<b>100.00</b>	<b>675,728</b>
Adjustment to share capital (**)		22,871,352		22,871,352
<b>Total share capital</b>		<b>23,547,080</b>		<b>23,547,080</b>

(\*) The above amount refers to shares that are repurchased by the company and are publicly traded.

(\*\*) 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 24 - EQUITY (Continued)**

**Paid-in capital (Continued)**

The historical values and inflation adjustment effects of the following accounts under equity, in accordance with TFRS and VUK financial statements, as of December 31, 2024, are as follows:

<b>31 December 2024 (TFRS)</b>	<b>Historical Value</b>	<b>Inflation Adjustment Effect</b>	<b>Indexed Value</b>
Paid-in capital	675,728	22,871,352	23,547,080
Treasury shares	3,095,543	8,427,014	11,522,557
Legal reserves	887,707	5,795,258	6,682,965
Statutory reserves	10,687	20,653	31,340

<b>31 December 2024 (VUK)</b>	<b>Historical Value</b>	<b>Inflation Adjustment Effect</b>	<b>Indexed Value</b>
Paid-in capital	675,728	19,408,822	20,084,550
Treasury shares	3,095,543	8,131,791	11,227,334
Legal reserves	887,707	9,356,296	10,244,003
Statutory reserves	10,687	22,082	32,769

**Treasury Shares**

Pursuant to the decision of the Board of Directors of the Company on July 1, 2021, treasury share procedures have been initiated and pursuant to the decision of the Board of Directors of the Company on December 31, 2024 for Company to continue to the share buyback program. Within the scope of the decision, the shares with a nominal value of TRY 68,867, corresponding to 10.19% of the Company’s capital, has been bought back at the amount of TRY 11,522,557 including transaction costs as of December 31, 2024 (December 31, 2023: TRY 11,522,557). As of the report date, there are no treasury shares that have been sold.

**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:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Legal reserves	11,522,557	11,522,557
Reserves for treasury shares	6,682,965	6,682,965
Statutory reserves	31,340	31,340

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**Dividend distribution**

Listed companies distribute dividends 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 established dividend payment policies and the dividend payment decisions made in the general assembly, as well as in compliance with relevant legislation.. 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 installments 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.

**NOTE 25 - SALES**

Sales revenue grouped geographically based on the location of the customers for the years ended December 31 are shown as below:

<b>January 1-December 31 2024</b>	<b>Turkey</b>	<b>Europe</b>	<b>Asia Pasific</b>	<b>Africa</b>	<b>Other</b>	<b>Total</b>
Total segment revenue	138,873,152	208,278,726	45,041,172	18,363,541	17,991,632	428,548,223
<b>January 1-December 31 2023</b>	<b>Turkey</b>	<b>Europe</b>	<b>Asia Pasific</b>	<b>Africa</b>	<b>Other</b>	<b>Total</b>
Total segment revenue	138,822,613	144,224,823	52,362,328	17,553,143	18,240,361	371,203,268

The Group recognised net sales amounting to TRY 422,697,955 with respect to the performance obligations satisfied at a point in time as of December 31, 2024 (December 31, 2023: TRY 370.791.912)..

The amount of performance obligations at ongoing contracts of the Group will be recognized in the future is TRY 4,859,170 (December 31, 2023: TRY 3,956,355).

The movements of performance obligations for the years ended December 31 are as follows:

	<b>2024</b>	<b>2023</b>
<b>As of January, 1</b>	3,956,355	3,431,973
Recognized as revenue	(5,850,268)	(411,355)
Increases due to changes in measurements	6,753,083	935,737
<b>As of December, 31</b>	<b>4,859,170</b>	<b>3,956,355</b>

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**NOTE 26 - EXPENSES BY NATURE**

Expenses by nature include cost of goods sold, marketing expenses, general administrative expenses and research and development expenses.

	<b>2024</b>	<b>2023</b>
Raw materials, supplies and trade goods	263,751,436	228,036,724
Personnel expenses	63,800,201	45,114,444
Transportation, distribution and storage expenses	22,110,897	19,600,621
Warranty and assembly expenses (Note 18)	16,892,658	13,898,100
Depreciation and amortization expenses (Note 13, 14)	16,549,997	12,582,692
Advertising and promotion expenses	10,994,328	10,483,617
Legal consultancy and audit expenses	3,565,087	2,747,522
Insurance expenses	2,118,872	1,623,092
Changes in finished goods, work in process and trade goods	354,404	1,582,002
Provision for impairment on inventories (Note 11)	(563,300)	197,142
Other	23,226,301	18,566,425
	<b>422,800,881</b>	<b>354,432,381</b>

The functional breakdowns of depreciation, amortisation and personnel expenses are as follows:

<b>Depreciation and amortisation expenses</b>	<b>2024</b>	<b>2023</b>
Cost of sales	7,560,665	5,719,543
Marketing expenses	4,777,309	3,869,334
General administrative expenses	2,384,111	1,322,466
Research and development expenses	1,827,912	1,671,349
	<b>16,549,997</b>	<b>12,582,692</b>

Total depreciation charges capitalised in 2024 is TRY 95,163 (2023: TRY 95,707).

<b>Personnel expenses</b>	<b>2024</b>	<b>2023</b>
Cost of sales	32,519,373	21,303,215
Marketing expenses	17,581,031	12,115,987
General administrative expenses	12,388,556	10,929,975
Research and development expenses	1,311,241	765,267
	<b>63,800,201</b>	<b>45,114,444</b>

Total research and development expenditures incurred in 2024 excluding amortization amounts to TRY 8,154,808 (2023: TRY 4,958,638).

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**NOTE 26 - EXPENSES BY NATURE (Continued)**

*Fees for Services Received from Independent Auditor/ Independent Audit Firms*

The Group's explanation regarding the fees for the services received from the independent audit firms, calculated based on purchasing power parity as of December 31, 2024, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	<b>2024<sup>(*)</sup></b>	<b>2023<sup>(*)</sup></b>
Audit and assurance fee	295,295	77,207
Tax consulting fees	52,493	79,719
Other assurance services fees	38,342	21,244
Other service fees apart from audit	9,395	1,642
	<b>395,525</b>	<b>179,812</b>

(\*) The fees above have been determined through including the legal audit and other related service fees of all subsidiaries and joint ventures, and the foreign currency fees of foreign subsidiaries and affiliates have been converted into TRY using the annual average rates of the relevant years.

**NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

	<b>2024</b>	<b>2023</b>
<b>Other income from operating activities:</b>		
Gain on bargain purchase (Note 3) <sup>(*)</sup>	17,023,034	-
Foreign exchange gains arising from trading activities	9,964,105	18,434,143
Income from claims and grants	769,618	538,245
Interest income arising from trading activities	649,801	311,472
Expected credit loss provisions no longer required (Note 9)	121,671	48,738
Other <sup>(*)</sup>	138,956	67,714
	<b>28,667,185</b>	<b>19,400,312</b>

(\*) The amount is related to the acquisition of Whirlpool MENA and Whirlpool EMEA companies.

	<b>2024</b>	<b>2023</b>
<b>Other expenses from operating activities:</b>		
Restructuring expenses <sup>(*)</sup>	(11,840,803)	-
Foreign exchange losses arising from trading activities	(9,310,768)	(17,026,225)
Interest charges arising from trading activities	(4,789,559)	(3,532,256)
Provision for expected credit losses (Note 9)	(307,613)	(299,528)
Other	(1,043,358)	(647,686)
	<b>(27,292,101)</b>	<b>(21,505,695)</b>

(\*) Expenses related to the Group's restructuring activities are reported under the heading 'restructuring expenses,' and the details are provided below;

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**NOTE 27 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)**

	İtalya	Polonya	Türkiye	İngiltere	Toplam
<b>Restructuring expenses:</b>					
Compensation payments to employees	(7,962,778)	(1,529,698)	(894,370)	(259,033)	(10,645,879)
Expenses related to asset disposals	-	(321,940)	-	(74,009)	(395,949)
Compensation payments to suppliers	(53,268)	(103,613)	-	(111,014)	(267,895)
Payments related to contract termination fees	-	(166,521)	-	(37,005)	(203,526)
Outsourced Services	(92,725)	(25,903)	-	(58,483)	(177,111)
Provisions for inventories (Note 11)	-	-	-	(92,184)	(92,184)
Other	(58,259)	-	-	-	(58,259)
	<b>(8,167,030)</b>	<b>(2,147,675)</b>	<b>(894,370)</b>	<b>(631,728)</b>	<b>(11,840,803)</b>

As stated by the Group in the Public Disclosure Platform, restructuring processes have been initiated in Turkey, the United Kingdom, Italy, and Poland with the goal of enhancing efficiency and creating synergies. In this context, restructuring expenses have been accounted for under TAS 37 Provisions, Contingent Liabilities, and Contingent Assets Standard, and costs with amounts that can be reliably estimated have been recognized in the statement of financial position as of December 31, 2024, as well as in the profit or loss and other comprehensive income statement for the period ending on the same date. A cash outflow of (655,371) TRY has occurred for the related expenses.

**NOTE 28 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES**

	2024	2023
<b>Income from investment activities:</b>		
Gain from changes in contingent liability (*)	1,123,214	-
Income from sales of property plant and equipment	80,523	72,955
Gain from a bargain purchase	13,164	-
Dividends received from financial investments	2,626	436
	<b>1,219,527</b>	<b>73,391</b>
<b>Expenses from investment activities:</b>		
Loss from sales of property plant and equipment	(225,545)	(147,999)
Impairment of financial assets (Note 6)	(112,546)	-
	<b>(338,091)</b>	<b>(147,999)</b>

(\*) The contingent purchase prices of IHP Appliances JSC and IHP Appliances Sales LLC, whose acquisition transactions were completed on August 31, 2022, are presented at their fair value in the financial statements. Due to changes in market conditions and market factors, the contingent liability amount has changed in fair value compared to previous reporting periods, and the related change in value has been recognized as income from investment activities in the financial statements.

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**NOTE 29 - FINANCIAL INCOME**

	<b>2024</b>	<b>2023</b>
Foreign exchange gains (*)	15,724,405	14,290,256
Gains on derivative instruments	3,085,128	14,775,661
Interest income	2,949,159	2,707,300
Other	291,810	847,408
	<b>22,050,502</b>	<b>32,620,625</b>

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

**NOTE 30 - FINANCIAL EXPENSES**

	<b>2024</b>	<b>2023</b>
Foreign exchange losses (*)	(20,428,576)	(28,682,359)
Interest expenses (**)	(16,024,137)	(11,458,009)
Losses on derivative instruments	(7,574,322)	(8,615,665)
Interest expense from contingent liability	(493,982)	(754,474)
Other	(2,777,813)	(947,251)
	<b>(47,298,830)</b>	<b>(50,457,758)</b>

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

(\*\*) TRY 804,075 of the interest expenses consists of the interest expense on the lease liabilities (2023: TRY 473,675).

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**NOTE 31 – EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)**

<b>Non-monetary items</b>	<b>December 31, 2024</b>
<b>Statement of financial position items</b>	<b>13,239,752</b>
Inventories	7,648,776
Prepaid expenses	525,141
Investments accounted for using the equity method, financial investments, subsidiaries	23,663,075
Property, plant, and equipment	10,049,310
Intangible assets	4,387,553
Deferred tax assets	1,106,267
Other liabilities	(949,799)
Paid-in capital	(9,934,891)
Treasury shares	3,541,774
Other accumulated comprehensive income and expense not to be reclassified to profit or loss	561,991
Other accumulated comprehensive income and expense to be reclassified to profit or loss	4,482,593
Restricted reserves	(5,642,439)
Retained earnings	(26,199,599)
<b>Profit or Loss Statement Items</b>	<b>2,570,372</b>
Revenue	(39,404,475)
Cost of sales	32,851,121
Research and development expenses	219,948
Marketing expenses	4,640,589
General and administrative expenses	1,448,931
Other income/expenses from operating activities	452,248
Income/expenses from investment activities	(580,056)
Finance income/expenses	2,300,236
Tax expense for the period	641,830
<b>Net Monetary Position Gains/(Losses)</b>	<b>15,810,124</b>

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**NOTE 32 - TAX ASSETS AND LIABILITIES**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Corporate and income taxes	1,169,131	1,600,800
Prepaid taxes	(894,546)	(991,756)
<b>Tax liabilities (net)</b>	<b>274,585</b>	<b>609,044</b>
Deferred tax assets	23,029,198	11,883,905
Deferred tax liabilities	(4,683,062)	(4,891,662)
<b>Deferred tax assets, net</b>	<b>18,346,136</b>	<b>6,992,243</b>

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 years ended December 31 is as follows:

	<b>2024</b>	<b>2023</b>
<b>Tax income</b>		
- Current period tax expense	(1,409,767)	(2,759,020)
- Deferred tax income	812,891	4,544,916
<b>Total tax income/(expense), net</b>	<b>(596,876)</b>	<b>1,785,896</b>

	<b>2024</b>	<b>2023</b>
Profit before tax	(1,610,412)	18,770,771
Less: Share of profit/loss of equity accounted investments	176,070	695,070
Profit before tax (excluding share of profit/(loss) of Joint Ventures)	<b>(1,434,342)</b>	<b>19,465,841</b>
<b>Tax rate</b>	<b>25%</b>	<b>25%</b>
<b>Tax expense</b>	<b>358,586</b>	<b>(4.866.460)</b>
Exemptions	1,119,489	1,743,667
Tax losses and other tax advantages (net effect)	2,442,108	3,542,432
Temporary differences which no deferred tax recognized	(1,378,008)	(1,199,887)
Impact of different tax rates in other countries	(341,462)	(563,391)
The effect of the legal tax rate change on the deferred tax amount	-	(556,245)
Expenses not deductible for tax purposes	(1,683,293)	(1,286,831)
Non-taxable inflation adjustments	(901,018)	(191,930)
Arising from inflation accounting according to legal provisions		
deferred tax effect calculated regarding temporary differences (*)	-	5,197,983
Other	(213,278)	(33,442)
<b>Taxation income recognized in statement of profit or loss</b>	<b>(596,876)</b>	<b>1,785,896</b>

(\*) Arises from the deferred tax effect of temporary differences created by the adjustments made to inflation accounting in accordance with the Communiqué No. 32415 (2nd. Repetition) dated December 30, 2024, of the Tax Procedure Law.

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**NOTE 32 - TAX ASSETS AND LIABILITIES (Continued)**

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.

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

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Property, plant and equipment and intangible assets	23,234,312	28,944,132	(6,438,805)	(7,046,980)
Reduced corporate tax application (*)	-	-	5,555,880	3,646,301
Available tax deductions	-	-	9,933,906	2,295,261
Provisions for warranty, assembly and transportation expenses	(6,046,111)	(9,341,286)	1,475,027	2,289,534
Inventories	(2,156,557)	(1,597,904)	738,991	686,551
Provisions for employment termination benefits	(3,873,060)	(5,855,282)	906,551	1,273,231
Provision for expected credit losses	(1,678,919)	(610,280)	466,310	180,190
Derivative instruments	(9,529,967)	(6,813,851)	2,394,102	1,622,865
Cost and expense provisions	(4,689,316)	(8,544,762)	1,028,626	1,885,586
Other	(8,632,619)	(2,053,502)	2,285,548	159,704
<b>Deferred tax assets, net</b>			<b>18,346,136</b>	<b>6,992,243</b>

**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 5,555,880 (December 31, 2023: TRY 3,646,301) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of December 31, 2024. TRY 1,909,579 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 - December 31, 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 December 31, 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.

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**NOTE 32 - TAX ASSETS AND LIABILITIES (Continued)**

Movements in deferred tax asset / (liabilities) for the periods ended December 31 are as follows:

	<b>2024</b>	<b>2023</b>
<b>Balance as of January 1</b>	<b>6,992,243</b>	<b>644,501</b>
Deferred tax income recognized in statement of profit or loss	812,891	4,544,916
Deferred tax income recognized directly in the equity	438,237	2,009,405
Acquisitions (Note 3)	11,457,349	(240,623)
Currency translation differences	(1,354,584)	34,044
<b>Balance as of December 31</b>	<b>18,346,136</b>	<b>6,992,243</b>

Group’s total deductible loss of which deferred tax assets have not been calculated and related maturity analysis of this amount is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
2025	1,041,353	1,130,464
2026	362,821	368,243
2027	382,903	1,418,249
2028 and after	62,310,670	4,845,952
	<b>64,097,747</b>	<b>7,762,908</b>

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 33 - EARNINGS PER SHARE**

Earnings per share disclosed in the 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:

	<b>January 1- December 31, 2024</b>	<b>January 1- December 31, 2023</b>
Profit for the year attributable to equity holders of the parent	1,689,082	19,505,482
Weighted average number of ordinary shares with nominal value (kurus1 per value) (*)	60,685,191,700	60,685,191,700
<b>Earnings per share (kurus)</b>	<b>2.783</b>	<b>32.142</b>

(\*) Further details for the treasury shares please refer to Note 24.

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NOTE 34 - RELATED PARTY DISCLOSURES

(i) Balances with related parties

	December 31, 2024	December 31, 2023
<b>(a) Due from related parties:</b>		
Koçtaş Yapı Marketleri Ticaret A.Ş. <sup>(1)</sup>	217,939	85,478
Wat Motor Sanayi ve Ticaret A.Ş. <sup>(1)</sup>	143,878	246,488
Token Finansal Teknolojiler A.Ş. <sup>(1)</sup>	143,015	431,798
Voltbek <sup>(3)</sup>	33,232	44,014
Other	106,897	23,341
	<b>644,961</b>	<b>831,119</b>

	December 31, 2024	December 31, 2023
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**(b) Due to related parties:**

*Short-term trade payables*

Zer Merkezi Hizmetler ve Ticaret A.Ş. <sup>(1)</sup>	2,697,105	3,127,497
Arçelik-LG <sup>(3)</sup>	941,665	1,927,979
Ram Dış Ticaret A.Ş. <sup>(2)</sup>	570,835	983,651
Entek Elektrik Üretim A.Ş. <sup>(1)</sup>	467,097	69,117
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. <sup>(1)</sup>	343,219	217,891
Token Finansal Teknolojiler A.Ş. <sup>(1)</sup>	121,349	-
Ingage Dijital Pazarlama Hizmetleri A.Ş. <sup>(1)</sup>	103,250	376,020
Other	383,246	843,471
	<b>5,627,766</b>	<b>7,545,626</b>

<sup>(1)</sup> Koç Holding group companies

<sup>(2)</sup> Subsidiaries

<sup>(3)</sup> Joint ventures

**(c) Deposits:**

	December 31, 2024	December 31, 2023
Yapı ve Kredi Bankası A.Ş. and its subsidiaries <sup>(1)</sup>	291,812	792,067

**(d) Derivative instruments**

December 31, 2024	Contract amount	Fair value assets/(liabilities)
Yapı ve Kredi Bankası A.Ş. and its subsidiaries <sup>(1)</sup>	2,835,792	- (11,873)

December 31, 2023	Contract amount	Fair value assets/(liabilities)
Yapı ve Kredi Bankası A.Ş. and its subsidiaries <sup>(1)</sup>	14,538,303	224,685 (2,632)

<sup>(1)</sup> Koç Holding group companies

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NOTE 34 - RELATED PARTY DISCLOSURES (Continued)

(ii) Transactions with related parties

(a) Sales of goods and services:	2024	2023
Bilkom Bilişim Hizmetleri A.Ş. <sup>(1)</sup>	2,039,061	1,737,719
Token Finansal Teknolojiler A.Ş. <sup>(1)</sup>	1,086,730	1,731,227
Koçtaş Yapı Marketleri Ticaret A.Ş. <sup>(1)</sup>	498,757	286,172
Entek Elektrik Üretimi A.Ş. <sup>(1)</sup>	228,142	2,680
WAT Motor <sup>(1)</sup>	101,696	391,931
Türk Traktör ve Ziraat Makinaları A.Ş. <sup>(1)</sup>	95,613	1,022
Other	459,639	130,035
	<b>4,509,638</b>	<b>4,280,786</b>

  

(b) Purchases of goods and services:	2024	2023
Zer Merkezi Hizmetler ve Ticaret A.Ş. <sup>(1)</sup>	15,813,411	16,180,953
Arçelik-LG <sup>(3)</sup>	10,963,314	10,505,370
Token Finansal Teknolojiler A.Ş. <sup>(1)</sup>	4,887,978	2,031,262
Ram Dış Ticaret <sup>(2)</sup>	3,383,370	4,898,473
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. <sup>(1)</sup>	1,222,452	1,184,856
Ingage Dijital Pazarlama Hizmetleri A.Ş. <sup>(1)</sup>	851,183	1,139,942
Bilkom Bilişim Hizmetleri A.Ş. <sup>(1)</sup>	679,567	669,388
Other	4,223,294	3,363,694
	<b>42,024,569</b>	<b>39,973,938</b>

The Group purchases direct and indirect materials and receives services 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.

The Group purchases POS services from Token Financial Technologies Inc.

<sup>(1)</sup> Koç Holding group companies

<sup>(2)</sup> Associates

<sup>(3)</sup> Joint Ventures

(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 annual financial period ended December 31, 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 December 31, 2024, amounted to TRY 954,031 (December 31, 2023: TRY 1,058,709). The amount of payments made due to separation as of December 31, 2024, calculated on the basis of purchasing power as of December 31, 2024, is TRY 83,104 (December 31, 2023: 96,267).

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**NOTE 34 - RELATED PARTY DISCLOSURES (Continued)**

**(d) Other transactions:**

	<b>2024</b>	<b>2023</b>
<i>Interest income:</i>		
Yapı ve Kredi Bankası A.Ş. and its subsidiaries <sup>(1)</sup>	19,052	26,098
<sup>(1)</sup> Koç Group Companies		

**NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Group has focused on managing various financial risks, including the effects of changes in debt and capital market prices, foreign exchange rates, and interest rates due to its operations.. 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 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 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.

The analysis of the Group’s financial liabilities with respect to their maturities as of December 31, 2024, is as follows:

<b>Total financial liabilities (non-derivative):</b>	<b>Carrying value</b>	<b>Contractual cash-flows</b>	<b>Up to 3 months</b>	<b>3 months- 12 months</b>	<b>1 year- 5 years</b>	<b>More than 5 years</b>
Financial liabilities	129,131,531	144,486,858	43,155,733	27,549,667	70,376,491	3,404,967
Lease liabilities	8,911,549	9,118,282	536,889	1,924,332	4,344,166	2,312,895
Trade payables	102,389,609	105,726,290	81,675,666	24,050,624	-	-
Other liabilities <sup>(*)</sup>	3,455,625	5,823,828	-	-	4,091,964	1,731,864
Other payables, third parties	5,829,813	5,829,813	4,871,412	958,401	-	-
	<b>249,718,127</b>	<b>270,985,071</b>	<b>130,239,700</b>	<b>54,483,024</b>	<b>78,812,621</b>	<b>7,449,726</b>

<sup>(\*)</sup> Indicates the maturity analysis in relation to contingent consideration liabilities (Note 23).

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**NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

<b>Derivative instruments</b>	<b>Carrying value</b>	<b>Contractual cash-flows</b>	<b>Up to 3 months</b>	<b>3 months-12 months</b>	<b>1 year-5 years</b>	<b>More than 5 years</b>
Derivative cash inflows	-	57,784,781	57,784,781	-	-	-
Derivative cash outflows	-	(102,009,861)	(102,009,861)	-	-	-
<b>Derivative instruments (net)</b>	<b>117,156</b>	<b>(44,225,080)</b>	<b>(44,225,080)</b>			

The analysis of the Group’s financial liabilities with respect to their maturities as of December 31, 2023, is as follows:

<b>Total financial liabilities (non-derivative):</b>	<b>Carrying value</b>	<b>Contractual cash-flows</b>	<b>Up to 3 months</b>	<b>3 months-12 months</b>	<b>1 year-5 years</b>	<b>More than 5 years</b>
Financial liabilities	141,633,361	153,012,677	41,605,249	37,759,668	68,463,726	5,184,034
Lease liabilities	5,502,404	5,874,929	248,402	1,265,080	3,293,012	1,068,435
Trade payables	78,260,250	81,502,293	76,061,593	5,440,700	-	-
Other liabilities (*)	5,580,907	10,216,235	-	-	6,391,790	3,824,445
Other payables, third parties	5,776,656	5,776,656	4,895,883	880,773	-	-
	<b>236,753,578</b>	<b>256,382,790</b>	<b>122,811,127</b>	<b>45,346,221</b>	<b>78,148,528</b>	<b>10,076,914</b>

<b>Derivative instruments</b>	<b>Carrying value</b>	<b>Contractual cash-flows</b>	<b>Up to 3 months</b>	<b>3 months-12 months</b>	<b>1 year-5 years</b>	<b>More than 5 years</b>
Derivative cash inflows	-	52,597,356	30,857,373	20,472,189	1,267,794	-
Derivative cash outflows	-	(52,795,168)	(31,051,190)	(20,384,743)	(1,359,235)	-
<b>Derivative instruments (net)</b>	<b>(653,373)</b>	<b>(197,812)</b>	<b>(193,817)</b>	<b>87,446</b>	<b>(91,441)</b>	<b>-</b>

(\*) Indicates the maturity analysis in relation to contingent consideration liabilities (Note 23).

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)

Analysis of financial instruments of the Company which are sensitive to interest rate changes is as follows:

	2024	2023
<b>Financial instruments with fixed interest rates</b>		
Time deposits	12,229,013	12,097,825
Borrowings and bonds issued	96,728,684	101,868,237
Factoring liabilities	1,051,923	1,005,371
<b>Financial instruments with variable interest rates</b>		
Time deposits	27,420,331	40,997,660
Borrowings	32,402,847	39,765,124

As of December 31, 2024, if interest rates of all foreign currency denominated financial assets and liabilities with variable interest rates has strengthened/weakened by 100 base point with all other variables held constant, income before taxes would have been TRY 49,825 (2023: TRY 12,326 higher/ lower) as a result of lower/higher interest income/expense arise from time deposits and borrowings with variable interest rates.

**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,
- Endorsed cheques and notes .

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 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

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

<b>December 31, 2024</b>	<b>Trade receivables</b>			<b>Derivative instruments</b>
	<b>Related parties</b>	<b>Third parties</b>	<b>Bank deposits</b>	
<b>Maximum exposed credit risk as of reporting date <sup>(1)</sup></b>	<b>644,961</b>	<b>92,316,860</b>	<b>49,256,268</b>	<b>444,237</b>
Secured portion of the maximum credit risk by guarantees, etc. <sup>(2)</sup>	-	(73,725,981)	-	-
A. Net book value of financial asset either are not due or not impaired	644,961	88,485,335	49,256,268	444,237
-Secured portion by guarantees, etc.	-	(70,888,656)	-	-
B. Net book value of overdue but not impaired financial assets	-	3,922,284	-	-
- Secured portion by guarantees, etc.	-	(2,893,171)	-	-
C. Net book value of the impaired assets	-	(55,846)	-	-
- Overdue (Gross book value)	-	1,629,306	-	-
- Impairment (-)	-	(1,685,152)	-	-
- Secured portion of the net value by guarantees, etc.	-	55,846	-	-
D. Expected credit losses (-)	-	(34,913)	-	-
<b>December 31, 2023</b>	<b>Trade receivables</b>			<b>Derivative instruments</b>
	<b>Related parties</b>	<b>Third parties</b>	<b>Bank deposits</b>	
<b>Maximum exposed credit risk as of reporting date <sup>(1)</sup></b>	<b>831,119</b>	<b>95,259,449</b>	<b>68,584,109</b>	<b>654,525</b>
Secured portion of the maximum credit risk by guarantees, etc. <sup>(2)</sup>	-	(75,927,395)	-	-
A. Net book value of financial asset either are not due or not impaired	831,119	92,134,081	68,584,109	654,525
-Secured portion by guarantees, etc.	-	(73,773,946)	-	-
B. Net book value of overdue but not impaired financial assets	-	3,155,567	-	-
- Secured portion by guarantees, etc.	-	(2,142,897)	-	-
C. Net book value of the impaired assets	-	10,552	-	-
- Overdue (Gross book value)	-	1,061,658	-	-
- Impairment (-)	-	(1,051,106)	-	-
- Secured portion of the net value by guarantees, etc.	-	(10,552)	-	-
D. Expected credit losses (-)	-	(40,751)	-	-

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

<sup>(2)</sup> Major part of guarantees is composed of mortgages and trade receivable insurances.

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**NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Group 1	1,867,476	1,345,346
Group 2	85,490,619	90,802,797
Group 3	1,772,201	817,057
	<b>89,130,296</b>	<b>92,965,200</b>

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**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
0-1 month	2,662,512	1,823,526
1-3 months	486,254	554,311
3-12 months	475,479	406,643
1-5 years	298,039	371,087
	<b>3,922,284</b>	<b>3,155,567</b>

**c) Geographical concentration of the trade receivables**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Turkey	26,105,540	33,549,383
Europe	43,588,099	36,241,847
Other	23,268,182	26,299,339
	<b>92,961,821</b>	<b>96,090,569</b>

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 December 31, 2024, is as follows;

<b>December 31, 2024</b>	<b>Undue</b>	<b>Overdue 0-1 month</b>	<b>Overdue 1-3 months</b>	<b>Overdue more than 3 months</b>	<b>Total</b>
Expected loss rate (%)	0.004	0.06	0.56	1.36	
Gross carrying amount (*)	90,800,591	1,838,162	1,669,198	2,044,230	<b>96,352,181</b>
Expected credit lose	(3,234)	(1,168)	(2,631)	(27,880)	<b>(34,913)</b>

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

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**NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

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

<b>December 31, 2023</b>	<b>Undue</b>	<b>Overdue 0-1 month</b>	<b>Overdue 1-3 months</b>	<b>Overdue more than 3 months</b>	<b>Total</b>
Expected credit loss rate (%)	0.003	0.1	0.47	1.71	
Gross carrying amount (*)	93,904,224	506,995	1,628,463	2,081,767	98,121,449
Expected credit loss	(2,366)	(526)	(2,225)	(35,634)	(40,751)

(\*) 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 December 31, 2024, a portion of bank borrowings amounting to EUR 500,000,000 and contingent liabilities RUB 10,320,844,478 (before tax) was designated as a net investment hedging instrument (December 31, 2023: EUR 210,000,000 and RUB 10,548,277,984 respectively).

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Assets	71,010,572	95,978,691
Liabilities	(117,076,798)	(138,503,691)
<b>Net position of financial statement</b>	<b>(46,066,226)</b>	<b>(42,525,000)</b>
Net position of derivative instruments	34,454,693	31,610,113
<b>Foreign currency position (net)</b>	<b>(11,611,533)</b>	<b>(10,914,887)</b>

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**NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

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).

The original currency amounts of assets and liabilities denominated in foreign currencies and the total TRY equivalent as of December 31, 2024, are as follows:

	Euro	USD Dollar	British Pound	Russian Ruble	Other Currency’s TRY Equivalent	TRY Equivalent
<b>Current Assets</b>						
Trade receivables	371,273	265,355	44,915	4,424,187	3,574,088	30,031,020
Monetary financial assets	362,243	316,063	65	33	1,066,216	25,511,743
Other	146,345	50,574	12,796	-	1,897,061	9,621,753
<b>Non-Current Assets</b>						
Trade receivables	28,566	111,150	19,613	-	-	5,832,460
Other non-current assets	-	386	-	-	-	13,596
<b>Total Assets</b>	<b>908,427</b>	<b>743,528</b>	<b>77,389</b>	<b>4,424,220</b>	<b>6,537,365</b>	<b>71,010,572</b>
<b>Current Liabilities</b>						
Trade payables	454,672	664,472	91,146	208,456	4,873,812	49,087,300
Financial liabilities	158,809	284,654	-	-	259,992	16,121,548
Other monetary liabilities	15,469	58,374	27	10,288,311	1,465,174	7,535,602
<b>Non-Current Liabilities</b>						
Trade payables	27,500	879	-	-	-	1,041,379
Financial liabilities	649,635	551,354	-	-	-	43,289,973
Other monetary liabilities	-	3	-	-	894	996
<b>Total Liabilities</b>	<b>1,306,085</b>	<b>1,559,736</b>	<b>91,173</b>	<b>10,496,767</b>	<b>6,599,872</b>	<b>117,076,798</b>
<b>Net Position of Financial Statement</b>	<b>(397,658)</b>	<b>(816,208)</b>	<b>(13,784)</b>	<b>(6,072,547)</b>	<b>(62,507)</b>	<b>(46,066,226)</b>
Off-balance sheet derivative assets (*)	772,442	1,073,639	120,000	12,020,844	6,112,498	81,645,681
Off-balance sheet derivative liabilities (*)	(836,999)	(111,880)	(109,070)	(4,910,000)	(6,026,579)	(47,190,988)
Net position of off-balance sheet items	(64,557)	961,759	10,930	7,110,844	85,919	34,454,693
<b>Net Asset/(Liability) Position of Foreign Currency</b>	<b>(462,215)</b>	<b>145,551</b>	<b>(2,854)</b>	<b>1,038,297</b>	<b>23,412</b>	<b>(11,611,533)</b>
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(397,658)	(816,208)	(13,784)	(6,072,547)	(62,508)	(46,066,226)
Hedge Amount of Foreign Currency Assets	836,999	111,880	109,070	4,910,000	6,026,579	47,190,988
Hedge Amount of Foreign Currency Liabilities	772,442	1,073,639	120,000	12,020,844	6,112,498	81,645,681

(\*) 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.

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**NOTE 35 - 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:

	<b>Euro</b>	<b>US Dollar</b>	<b>British Pound</b>	<b>Russian Ruble</b>	<b>Other Currency’s TRY Equivalent</b>	<b>TRY Equivalent (**)</b>
<b>Current Assets</b>						
Trade receivables	427,200	425,567	51,133	1,381,115	4,521,370	46,114,587
Monetary financial assets	513,794	527,221	125	-	698,136	47,276,743
Other	2,714	46,112	-	-	76,834	2,164,348
<b>Non-Current Assets</b>						
Trade receivables	1,114	8,720	-	-	-	423,013
<b>Total Assets</b>	<b>944,822</b>	<b>1,007,620</b>	<b>51,258</b>	<b>1,381,115</b>	<b>5,296,340</b>	<b>95,978,691</b>
<b>Current Liabilities</b>						
Trade payables	387,069	590,263	5,219	20,513	1,889,538	45,472,712
Financial liabilities	628,645	80,341	-	-	35,080	33,014,825
Other monetary liabilities	3,325	5,337	-	11,853,246	30,460	5,994,630
Other non-monetary liabilities	-	-	-	-	-	-
<b>Non-Current Liabilities</b>						
Trade payables	-	1,589	-	-	-	67,536
Financial liabilities	650,164	550,000	-	-	-	53,953,468
Other monetary liabilities	-	12	-	-	-	520
Other non-monetary liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,669,203</b>	<b>1,227,542</b>	<b>5,219</b>	<b>11,873,759</b>	<b>1,955,078</b>	<b>138,503,691</b>
<b>Net Position of Financial Statement</b>	<b>(724,381)</b>	<b>(219,922)</b>	<b>46,039</b>	<b>(10,492,644)</b>	<b>3,341,262</b>	<b>(42,525,000)</b>
Off-balance sheet derivative assets (*)	766,726	749,229	13,000	11,853,246	269,106	74,455,856
Off-balance sheet derivative liabilities (*)	(582,458)	(145,350)	(60,500)	(1,450,000)	(5,321,908)	(42,845,743)
Net position of off-balance sheet items	184,268	603,879	(47,500)	10,403,246	(5,052,802)	31,610,113
<b>Net Asset/(Liability) Position of Foreign Currency</b>	<b>(540,113)</b>	<b>383,957</b>	<b>(1,461)</b>	<b>(89,398)</b>	<b>(1,711,540)</b>	<b>(10,914,887)</b>
Net Asset/(Liability) Position of Foreign Currency Monetary Items	(724,381)	(219,922)	46,039	(10,492,644)	3,341,262	(42,525,000)
Hedge Amount of Foreign Currency Assets	582,458	145,350	60,500	1,450,000	5,321,908	42,845,743
Hedge Amount of Foreign Currency Liabilities	766,726	749,229	13,000	11,853,246	269,106	74,455,856

(\*) 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 December 31, 2024.

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**NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

As of December 31, 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%
<b>December 31, 2024</b>				
USD net asset/liability	(2,874,954)	2,874,954	(2,411,408)	2,411,408
Secured portion from USD risk	3,387,633	(3,387,633)	3,387,633	(3,387,633)
<b>USD Net effect</b>	<b>512,679</b>	<b>(512,679)</b>	<b>976,225</b>	<b>(976,225)</b>
EUR net asset/liability	376,036	(376,036)	(2,212,430)	2,212,430
Secured portion from EUR risk	(2,074,346)	2,074,346	(237,201)	237,201
<b>EUR Net effect</b>	<b>(1,698,310)</b>	<b>1,698,310</b>	<b>(2,449,631)</b>	<b>2,449,631</b>
GBP net asset/liability	(60,989)	60,989	(19,230)	19,230
Secured portion from GBP risk	48,361	(48,361)	48,361	(48,361)
<b>GBP Net effect</b>	<b>(12,628)</b>	<b>12,628</b>	<b>29,131</b>	<b>(29,131)</b>
RUB net asset/liability	142,242	(142,242)	697,473	(697,473)
Secured portion from RUB risk	(107,478)	107,478	238,085	(238,085)
<b>RUB Net effect</b>	<b>34,764</b>	<b>(34,764)</b>	<b>935,558</b>	<b>(935,558)</b>
Other net asset/liability	(6,249)	6,249	1,441,239	(1,441,239)
Secured portion from other currency risk	8,591	(8,591)	8,591	(8,591)
<b>Other Currency Net effect</b>	<b>2,342</b>	<b>(2,342)</b>	<b>1,449,830</b>	<b>(1,449,830)</b>
	<b>(1,161,153)</b>	<b>1,161,153</b>	<b>941,113</b>	<b>(941,113)</b>

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**NOTE 35 - 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%
<b>December 31, 2023</b>				
USD net asset/liability	(934,724)	934,724	(211,568)	211,568
Secured portion from USD risk	2,566,638	(2,566,638)	2,566,638	(2,566,638)
<b>USD Net effect</b>	<b>1,631,914</b>	<b>(1,631,914)</b>	<b>2,355,070</b>	<b>(2,355,070)</b>
EUR net asset/liability	(2,419,123)	2,419,123	(3,679,265)	3,679,265
Secured portion from EUR risk	(121,017)	121,017	866,609	(866,609)
<b>EUR Net effect</b>	<b>(2,540,140)</b>	<b>2,540,140</b>	<b>(2,812,656)</b>	<b>2,812,656</b>
GBP net asset/liability	248,877	(248,877)	290,809	(290,809)
Secured portion from GBP risk	(256,775)	256,775	(256,775)	256,775
<b>GBP Net effect</b>	<b>(7,898)</b>	<b>7,898</b>	<b>34,034</b>	<b>(34,034)</b>
RUB net asset/liability	64,061	(64,061)	819,861	(819,861)
Secured portion from RUB risk	(68,271)	68,271	489,819	(489,819)
<b>RUB Net effect</b>	<b>(4,210)</b>	<b>4,210</b>	<b>1,309,680</b>	<b>(1,309,680)</b>
Other net asset/liability	334,127	(334,127)	2,489,020	(2,489,020)
Secured portion from other currency risk	(505,282)	505,282	(505,281)	505,281
<b>Other Currency Net effect</b>	<b>(171,155)</b>	<b>171,155</b>	<b>1,983,739</b>	<b>(1,983,739)</b>
	<b>(1,091,489)</b>	<b>1,091,489</b>	<b>2,869,867</b>	<b>(2,869,867)</b>

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NOTE 35 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)

Import and exports performed to / from Turkey for the year ended as of December 31, 2024, and 2023 are as follows:

	December 31, 2024	December 31, 2023
	TRY	TRY
EUR	42,450,936	50,954,668
USD	16,598,938	17,000,080
GBP	15,543,221	17,027,156
Other	13,657,869	14,530,830
<b>Total exports</b>	<b>88,250,964</b>	<b>99,512,734</b>
USD	40,700,904	45,803,782
EUR	13,342,467	19,309,620
Other	1,305,912	130,589
<b>Total imports</b>	<b>55,349,283</b>	<b>65,243,991</b>

*Capital Risk Management*

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The gearing ratios as of December 31, 2024, and 2023 are as follows:

	December 31, 2024	December 31, 2023
Total financial liabilities (Note 7)	138,043,080	147,135,765
Cash and cash equivalents (Note 5)	(50,815,825)	(70,444,978)
Net financial liabilities	87,227,255	76,690,787
Equity	75,063,593	85,996,829
<b>Total capital invested</b>	<b>162,290,848</b>	<b>162,687,616</b>
<b>Gearing ratio</b>	<b>54%</b>	<b>47%</b>

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**NOTE 36 - FINANCIAL INSTRUMENTS**

*Fair value of financial instruments*

*Contingent consideration from acquisition transactions*

Group measures the contingent consideration liabilities arising from purchase/acquisition transactions at their fair value on it’s 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 consolidated financial statements as of December 31, 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 December 31, 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.

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NOTE 36 - FINANCIAL INSTRUMENTS (Continued)

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 maximize 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

Fair value hierarchy table as of December 31, 2024, is as follows:

<b>Financial assets carried at fair value in statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative instruments (assets) (Note 8)	-	444,237	-
Financial investments (Note 6)	161,676	5,433	67,830
<b>Financial liabilities carried at fair value in statement of financial position</b>			
Derivative instruments (liabilities) (Note 8)	-	327,081	-
Other long term liabilities (Note 23)	-	-	3,455,625

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

<b>Financial assets carried at fair value in statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative instruments (assets) (Note 8)	-	654,525	-
Financial investments (Note 6)	33,491	6,513	164,638
<b>Financial liabilities carried at fair value in statement of financial position</b>			
Derivative instruments (liabilities) (Note 8)	-	1,307,898	-
Other long term liabilities (Note 23)	-	-	5,580,907

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NOTE 37 - SUPPLEMENTARY CASH FLOW INFORMATION

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

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

	1 January- December 31, 2024	1 January- December 31, 2023
<b>Adjustments for provisions:</b>		
Quota- incentive premium accruals	4,010,683	2,389,094
Provision for assembly and transportation cost	1,155,826	1,821,068
Provision for employment termination benefits	876,748	766,668
Warranty provision	276,216	708,279
Unused vacation	(89,793)	84,117
Accruals for bonuses and premiums	(174,805)	(118,198)
Provisions for legal claims	(583,891)	66,794
Other provisions	84,352	(38,647)
	<b>5,555,336</b>	<b>5,679,175</b>
<b>Adjustments for impairment loss:</b>		
Provision for impairment on inventories	(471,116)	197,142
Provision for expected credit lose (Note 9)	185,942	250,790
	<b>(285,174)</b>	<b>447,932</b>

NOTE 38 - EVENTS AFTER BALANCE SHEET DATE

None.