

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

ARÇELİK ANONİM ŞİRKETİ

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



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

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Arçelik Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arçelik Anonim Şirketi and its subsidiaries (the Group) as of June 30, 2024 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter

We would like to draw your attention to the disclosures in Note 3 of the accompanying consolidated financial statements, which describe the Group's acquisition of a 75% controlling interest in the European manufacturing, sales, and marketing subsidiaries of Whirlpool Corporation, and the provisional accounting treatment of this acquisition. Our conclusion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") as of December 31, 2023, were audited by another audit firm whose independent auditor's report thereon dated March 1, 2024 expressed an unqualified opinion. The Group's interim condensed consolidated financial statements, which were prepared in accordance with TMS 34 as of June 30, 2023, and with the exclusion of the effects of adjustments related to the application of TMS 29 "Financial Reporting in Hyperinflationary Economies" as stated in Note 2.1, were also subjected to a limited review by the same audit firm. In its report dated July 21, 2023, the audit firm reported that it did not encounter any issues that would lead to the belief that the said interim condensed consolidated financial statements were not prepared in accordance with TMS 34.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited


The stamp is circular with the text "BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ" around the perimeter, "1923" in the center, and "EME" at the bottom. The signature is written in blue ink over the stamp.

Memet Can Altınbaş SMMM
Partner

July 30, 2024
İstanbul, Türkiye

ARÇELİK ANONİM ŞİRKETİ

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

ARÇELİK ANONİM ŞİRKETİ

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

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

		Reviewed	Audited
	Notes	June 30, 2024	December 31, 2023
ASSETS			
Current assets:			
Cash and cash equivalents	5	45,257,024	60,860,221
Trade receivables			
-Due from related parties	28	882,363	718,037
-Trade receivables, third parties	9	103,397,266	82,255,868
Other receivables			
-Other receivables, third parties		710,215	408,474
Derivative instruments	8	412,840	565,470
Inventories	11	76,225,412	59,184,913
Prepaid expenses	17	6,284,215	2,982,596
Current income tax assets	18	1,746,194	2,153,273
Other current assets	20	6,879,314	4,568,850
Total current assets		241,794,843	213,697,702
Non-current assets:			
Financial investments	6	163,730	176,798
Trade receivables			
-Trade receivables, third parties	9	34,773	42,562
Investments accounted for using the equity method	12	2,149,818	1,816,282
Property, plant and equipment	13	80,075,775	55,620,092
Intangible assets			
-Goodwill		8,103,015	9,067,334
-Other intangible assets	14	33,458,427	24,821,435
Prepaid expenses	17	5,408,862	6,255,810
Deferred tax assets	26	20,274,864	10,266,979
Other non-current assets		1,285,676	222,244
Total non-current assets		150,954,940	108,289,536
Total assets		392,749,783	321,987,238

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

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

ARÇELİK ANONİM ŞİRKETİ

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

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

		Reviewed	Audited
	Notes	June 30, 2024	December 31, 2023
LIABILITIES			
Current liabilities:			
Short-term borrowings	7	56,576,427	64,222,201
Short-term portion of long-term borrowings	7	9,012,702	7,435,807
Trade payables			
-Due to related parties	28	7,807,421	6,518,967
-Trade payables, third parties	9	100,892,448	61,093,178
Derivative instruments	8	1,084,758	160,248
Employee benefit obligations	19	7,311,817	5,308,606
Other payables			
-Other payables, related parties		765	303,940
-Other payables, third parties	10	4,829,714	4,990,683
Current income tax liabilities	26	920,863	526,177
Provisions			
-Other provisions	16	11,827,102	7,918,302
Other current liabilities	20	17,939,624	13,407,514
Total current liabilities		218,203,641	171,885,623
Non-current liabilities:			
Long-term borrowings	7	55,666,026	55,458,434
Provisions			
-Provision for employee benefits		7,168,218	4,241,368
-Other provisions	16	3,190,200	1,555,405
Derivative instruments	8	314,461	969,697
Deferred tax liabilities	26	6,198,584	4,226,101
Other non-current liabilities	20	8,554,463	9,354,526
Total non-current liabilities		81,091,952	75,805,531
Total liabilities		299,295,593	247,691,154

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ARÇELİK ANONİM ŞİRKETİ

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

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

		Reviewed	Audited
	Notes	June 30, 2024	December 31, 2023
EQUITY			
Paid-in capital	21	675,728	675,728
Adjustment to share capital	21	19,667,532	19,667,532
Treasury shares	21	(9,954,795)	(9,954,795)
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		(2,439,484)	(2,911,305)
Other accumulated comprehensive income and expense to be reclassified to profit or loss			
-Currency translation differences		25,760,526	31,531,153
Financial assets at fair value through other comprehensive income gains/(losses)		1,782	20,314
Gains/ losses on hedge			
-Gains/ (losses) on hedges of net investment in foreign operations		(12,492,312)	(11,569,075)
-Gains/ (losses) on cash flow hedges		(382,460)	(747,061)
Restricted reserves	21	15,755,551	15,755,551
Retained earnings		40,454,861	14,289,398
Net income for the period		(4,086)	9,563,819
Equity holders of the parent		77,042,843	66,321,259
Non-controlling interest		16,411,347	7,974,825
Total equity		93,454,190	74,296,084
Total liabilities and equity		392,749,783	321,987,238

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

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED JUNE 30, 2024, AND DECEMBER 31, 2023

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

		Reviewed	Reviewed		
	Notes	January 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2024	April 1- June 30, 2023
Net sales	4	179,923,396	157,336,873	101,584,350	82,571,235
Cost of sales		(128,556,887)	(110,181,114)	(73,467,372)	(56,925,040)
Gross profit	4	51,366,509	47,155,759	28,116,978	25,646,195
General administrative expenses		(10,407,889)	(9,117,536)	(5,753,569)	(4,365,647)
Marketing expenses		(34,937,984)	(28,382,551)	(20,424,792)	(14,986,007)
Research and development expenses		(1,793,650)	(1,328,234)	(1,129,967)	(634,272)
Other income from operating activities	22	5,250,694	9,676,415	1,676,748	8,306,506
Other expenses from operating activities	22	(6,371,423)	(11,065,935)	(2,376,145)	(8,807,895)
Operating profit		3,106,257	6,937,918	109,253	5,158,880
Income from investment activities	23	1,013,661	31,573	985,762	7,859
Expenses from investment activities	23	(129,253)	(51,000)	(101,636)	(10,881)
Share of profit/loss of investments accounted for using the equity method	12	(232,089)	(184,902)	(122,084)	38,798
Operating income before financial income/(expense)		3,758,576	6,733,589	871,295	5,194,656
Financial income	24	10,230,783	15,904,851	3,203,302	11,984,261
Financial expenses	25	(19,451,292)	(23,057,787)	(7,411,483)	(16,369,983)
Net monetary position gains (losses)		5,299,334	4,523,818	1,786,083	1,477,372
Profit from continuing operations before tax		(162,599)	4,104,471	(1,550,803)	2,286,306
Tax income/(expense), continuing operations					
- Taxes on expense	26	(1,448,566)	(1,704,962)	(275,482)	(723,662)
- Deferred tax income/(expense)	26	1,389,594	1,097,662	1,021,043	378,941
Net income		(221,571)	3,497,171	(805,242)	1,941,585
Attributable to					
Non-controlling interest		(217,485)	490,709	(372,843)	334,350
Equity holders of the parent	27	(4,086)	3,006,462	(432,399)	1,607,235
Earnings per share (kurus)	27	(0.007)	4.954	(0.713)	2.648

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

ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2024 AND DECEMBER 31, 2023

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

	Reviewed January 1- June 30, 2024	Reviewed January 1- June 30, 2023	April 1- June 30, 2024	April 1- June 30, 2023
Net income	(221,571)	3,497,171	(805,242)	1,941,585
Other comprehensive income				
Not to be reclassified to profit or loss	646,649	(758,423)	486,798	(469,153)
Gain/ loss arising from defined benefit plans	650,933	(743,757)	494,268	(460,467)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	(4,284)	(14,666)	(7,470)	(8,686)
Not to be reclassified to profit or loss, tax effect	(174,828)	115,641	(136,211)	59,615
Gain/ loss arising from defined benefit plans, tax effect	(174,828)	115,641	(136,211)	59,615
To be reclassified to profit or loss	(5,110,119)	6,308,942	(2,223,758)	11,289,747
Currency translation differences	(4,499,978)	9,874,361	(2,034,916)	14,656,825
Other comprehensive income related with hedges of net investments in foreign operations	(1,230,983)	(3,786,172)	(409,133)	(3,666,249)
Other comprehensive income related with cash flow hedge	486,134	(28,000)	217,695	(43,920)
Share of other comprehensive income of investments accounted for using the equity method that will be reclassified to profit or loss	153,743	261,825	2,704	339,191
-Currency translation differences of investments accounted for using the equity method	153,743	260,979	2,704	339,245
-Gain/loss from cash flow hedges of investments accounted for using equity method	-	846	-	(54)
Other gain/ losses not to be reclassified to profit or loss	(19,035)	(13,072)	(108)	3,900
To be reclassified to profit or loss, tax effect	186,716	760,794	47,814	738,826
Other comprehensive income related with hedges of net investments in foreign operations, tax effect	307,746	757,217	102,279	733,230
Other comprehensive income related with cash flow hedge, tax effect	(121,533)	3,244	(54,423)	5,896
Other gain/ losses not to be reclassified to profit or loss, tax effect	503	333	(42)	(300)
Other comprehensive income/ (loss) (net of tax)	(4,451,582)	6,426,954	(1,825,357)	11,619,035
Total comprehensive income	(4,673,153)	9,924,125	(2,630,599)	13,560,620
Attributable to:				
Non-controlling interest	381,168	1,861,269	57,318	1,586,180
Equity holders of the parent	(5,054,321)	8,062,856	(2,687,917)	11,974,440

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

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ARÇELİK ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JUNE 30, 2024, AND DECEMBER 31, 2023**

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

	Paid-in capital	Adjustment to share capital	Treasury shares	Other comprehensive income not to be reclassified under profit and loss	Other comprehensive income to be reclassified under profit and loss			Retained earnings		Equity holders of the parent	Non-controlling interest	Total equity	
				Gain/(loss) arising from defined benefit plans	Gains/ losses on financial assets measured at fair value throughout comprehensive income	Gains/losses on hedge	Currency translation differences	Restricted reserves	Retained earnings				Net income
Balance at January 1, 2023	675,728	19,667,532	(9,954,795)	(2,006,640)	38,819	(7,566,714)	31,994,843	16,241,284	8,916,177	7,840,191	65,846,425	6,548,790	72,395,215
Transfers	-	-	-	-	-	-	-	218,984	7,621,207	(7,840,191)	-	-	-
Total comprehensive income	-	-	-	(642,782)	(12,739)	(3,052,865)	8,764,780	-	-	3,006,462	8,062,856	1,861,269	9,924,125
Net income	-	-	-	-	-	-	-	-	-	3,006,462	3,006,462	490,709	3,497,171
Other comprehensive income	-	-	-	(642,782)	(12,739)	(3,052,865)	8,764,780	-	-	-	5,056,394	1,370,560	6,426,954
Dividends	-	-	-	-	-	-	-	(803,886)	(2,148,818)	-	(2,952,704)	(689,443)	(3,642,147)
As of June 30, 2023	675,728	19,667,532	(9,954,795)	(2,649,422)	26,080	(10,619,579)	40,759,623	15,656,382	14,388,566	3,006,462	70,956,577	7,720,616	78,677,193
Balance at January 1, 2024	675,728	19,667,532	(9,954,795)	(2,911,305)	20,314	(12,316,136)	31,531,153	15,755,551	14,289,398	9,563,819	66,321,259	7,974,825	74,296,084
Transfers	-	-	-	-	-	-	-	-	9,563,819	(9,563,819)	-	-	-
Total comprehensive income	-	-	-	471,821	(18,532)	(558,636)	(4,944,888)	-	-	(4,086)	(5,054,321)	381,168	(4,673,153)
Net income	-	-	-	-	-	-	-	-	-	(4,086)	(4,086)	(217,485)	(221,571)
Other comprehensive income	-	-	-	471,821	(18,532)	(558,636)	(4,944,888)	-	-	-	(5,050,235)	598,653	(4,451,582)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(592,414)	(592,414)
Transactions with non-controlling shares (Note 3)	-	-	-	-	-	-	-	-	-	-	-	6,105,918	6,105,918
Acquisition of a subsidiary (Note3)	-	-	-	-	-	-	(825,739)	-	16,601,644	-	15,775,905	2,541,850	18,317,755
As of June 30, 2024	675,728	19,667,532	(9,954,795)	(2,439,484)	1,782	(12,874,772)	25,760,526	15,755,551	40,454,861	(4,086)	77,042,843	16,411,347	93,454,190

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

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ARÇELİK ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2024, DECEMBER 31, 2023

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

	Notes	Reviewed January 1- June 30, 2024	Reviewed January 1- June 30, 2023
Cash flows from operating activities:			
Net income:		(221,571)	3,497,171
<i>Adjustments to reconcile net cash provided from operating activities to net income after taxes</i>			
Adjustments for depreciation and amortisation expense	13,14	6,634,708	5,600,397
Adjustments for impairment loss	31	(142,888)	355,427
Adjustments for other provisions	31	2,904,805	5,981,900
Adjustments for interest income	24	(1,464,475)	(843,423)
Adjustments for interest expense	25	4,873,044	4,113,081
Adjustments for income arised from government grants	22	(187,869)	(216,978)
Adjustments for unrealised foreign exchange losses (gains)	24,25	2,661,039	8,663,211
Adjustments for fair value (gains) losses on derivative financial instruments	24,25	2,387,686	(5,627,171)
Adjustments for undistributed profits of investments accounted for using equity method	12	232,089	184,902
Adjustments for tax expense/income	26	58,972	607,300
Adjustments for losses (gains) on disposal of non-current assets	23	105,693	19,427
Other adjustments to reconcile profit (loss)	24,25	509,719	540,038
Adjustments to dividend (income)/ expenses	23	(2,005)	-
Adjustments for contingent liabilities	23,25	(716,894)	307,200
Adjustments relating to losses (gains) arising from the disposal or changes in interests in subsidiaries, joint ventures and financial investments	23	(17,706)	-
Monetary gain/(loss)		(20,277,796)	(15,176,655)
Adjustments regarding net profit reconciliation for the period		(2,663,449)	8,005,827
Changes in operating assets and liabilities:			
Adjustments for decrease (increase) in trade receivables		615,696	(16,092,626)
Adjustments for decrease (increase) in inventories		(169,818)	(8,446,634)
Decrease (increase) in prepaid expenses		(2,484,346)	(418,797)
Adjustments for increase (decrease) in trade payables		(738,066)	12,648,876
Increase (decrease) in employee benefit liabilities		(2,460,477)	(135,809)
Adjustments for increase (decrease) in other operating payables		(1,303,363)	(22)
Increase (decrease) in government grants and assistance		34,164	138,764
Other adjustments for other increase (decrease) in working capital		543,670	(3,505,520)
Income taxes refund (paid)		(369,662)	(600,068)
Cash flows from operating activities		(8,995,651)	(8,406,009)
Investing activities:			
Cash inflows/(outflows) used in obtaining control of subsidiaries or other businesses	3	7,503,175	(1,807,421)
Cash outflows due to share acquisition or capital increase in affiliates and / or joint ventures	12	(454,607)	-
Cash outflows from purchases of property, plant and equipment and intangible assets		(8,192,024)	(5,520,748)
Cash inflows from sale of property, plant and equipment and intangible assets		59,573	129,602
Dividends received	12,23	47,558	30,595
Cash outflows for the acquisition of shares or debt instruments of other businesses or funds	6	(9,002)	(5,098)
Cash inflows for the acquisition of shares or debt instruments of other businesses or funds	6	19,516	-
Cash flows from investing activities		(1,025,811)	(7,173,070)
Financing activities:			
Proceeds from borrowings	7	26,181,639	31,153,046
Repayments of borrowings	7	(26,699,078)	(30,506,543)
Bonds issued	7	6,545,115	11,874,063
Payments of lease liabilities	7	(1,677,654)	(1,074,380)
Dividends paid		(592,414)	(689,443)
Cash inflows from derivative instruments (net)		(1,435,672)	303,228
Interest paid		(4,878,913)	(4,518,246)
Interest received		1,438,413	934,003
Other inflows (outflows) of cash	24,25	(509,719)	(540,038)
Cash flows from financing activities		(1,628,283)	6,935,690
Inflation impact on cash and cash equivalents		(6,207,049)	(5,024,131)
Net increase/(decrease) in cash and cash equivalents before currency translation differences		(17,856,794)	(13,667,520)
Effect of currency translation differences		2,227,535	12,533,251
Net increase/(decrease) in cash and cash equivalents		(15,629,259)	(1,134,269)
Cash and cash equivalents at January 1	5	60,841,260	50,309,356
Cash and cash equivalents at June 30	5	45,212,001	49,175,087

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

ARÇELİK ANONİM ŞİRKETİ

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 30 June 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, United Kingdom, Poland, Slovakia, Italy, Thailand, Pakistan, India and Bangladesh. The Company is controlled by Koç Holding A.Ş., the parent company, Koç Family and the companies owned by Koç Family (Note 21). The Company’s head office is located at: Karaağaç Caddesi No: 2-6 Söğütözü 34445 Beyoğlu İstanbul / Turkey.

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

The average number of personnel employed by categories in the Group is 12,351 monthly paid (1 January - 30 June 2023: 9,975) and 36,823 hourly paid (1 January - 30 June 2023: 30,750) totaling to 49,174 (1 January - 30 June 2023: 40,725).

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

ARÇELİK ANONİM ŞİRKETİ

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

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

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

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

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

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

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

ARÇELİK ANONİM ŞİRKETİ

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

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

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

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

Approval of condensed consolidated financial statements

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

ARÇELİK ANONİM ŞİRKETİ

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

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

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

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

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

Financial reporting in hyperinflationary economy

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

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

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

ARÇELİK ANONİM ŞİRKETİ

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

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

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

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

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

Year End	Index	Conversion Factor	Three-year Inflation Rate
30 June 2024	2,319.29	1.00000	% 324
31 December 2023	1,859.38	1.24735	% 268
30 June 2023	1,351.59	1.71597	% 190

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

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

ARÇELİK ANONİM ŞİRKETİ

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

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

**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 June 30, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. The amendments did not have a significant impact on the financial position or performance of the Group.

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

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

ARÇELİK ANONİM ŞİRKETİ

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

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

2.1 Basis of presentation (Continued)

New and amended standards and interpretations (Continued)

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

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

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The amendments did not have a significant impact on the financial position or performance of the Group.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

ARÇELİK ANONİM ŞİRKETİ

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

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

2.1 Basis of presentation (Continued)

New and amended standards and interpretations (Continued)

iii) The amendments which are effective immediately upon issuance

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

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

The following amendments to IFRS 9 and IFRS 7 as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

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

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

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

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

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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)

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

Functional and presentation currency

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

Financial statements of subsidiaries operating in countries other than Turkey

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

Consolidation principles

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

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

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

2.1 Basis of presentation (Continued)

Consolidation principles (continued)

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

Continuing operations as of balance sheet date:	Functional currency	June 30, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Arch R&D	Chinese Yuan	100	100	100	100
Beko Romania ^(*)	Romanian Lei	71.72	71.72	96.72	96.72
Arcwaste ^(*)	Romanian Lei	71.72	71.72	96.72	96.72
Arctic Foundation ^(*)	Romanian Lei	71.72	71.72	96.72	96.72
Beko B.V.	Euro	100	100	100	100
Beko B.V. Taiwan	Taiwanese Dollar	100	100	100	100
Beko APAC	Thai Baht	100	100	100	100
Beko Australia	Australian Dollar	100	100	100	100
Beko New Zealand	New Zealand Dollar	100	100	100	100
Beko Balkans ^(*)	Serbian Dinar	100	100	100	100
Beko China	Chinese Yuan	100	100	100	100
Beko Central Asia	Kazakhstan Tenge	100	100	100	100
Beko Germany ^(*)	Euro	100	100	100	100
Beko Egypt	Egyptian Lira	100	100	100	100
Beko Espana ^(*)	Euro	100	100	100	100
Beko France ^(*)	Euro	100	100	100	100
Beko Gulf	Dirham	100	100	100	100
Beko Portugal ^(*)	Euro	100	100	100	100
Beko Hong Kong	US Dollar	100	100	100	100
Beko Israel	New Israeli Shekel	100	100	100	100
Beko Italy ^(*)	Euro	100	100	100	100
Beko Malaysia	Malaysian Ringgit	100	100	100	100
Beko Morocco	Moroccan Dirham	100	100	100	100
Beko Polska ^(*)	Polish Zloty	100	100	100	100
Beko Czech ^(*)	Czech Koruna	100	100	100	100
Beko Philippines	Philippine Peso	100	100	100	100
Beko Russia	Russian Ruble	100	100	100	100
Beko Shanghai	Chinese Yuan	100	100	100	100
Beko Slovakia ^(*)	Euro	100	100	100	100
Beko Switzerland ^(*)	Swiss Franc	100	100	100	100
Beko Thailand	Thai Baht	100	100	100	100
Beko UK ^(*)	British Pound	100	100	100	100
Beko Ireland ^(*)	Euro	100	100	100	100
Beko Ukraine ^(*)	Ukrainian Hryvna	100	100	100	100
Beko US	US Dollar	100	100	100	100
Dawlance	Pakistani Rupee	100	100	100	100
Defy	South Africa Rand	100	100	100	100
Defy Botswana	Botswana Pula	100	100	100	100
Defy Namibia	Namibian Dollar	100	100	100	100
Defy Swaziland	Svazi Lilangeni	100	100	100	100
Defy Kenya	Kenya Shilling	100	100	100	100
DEL	Pakistani Rupee	100	100	100	100
Beko Austria ^(*)	Euro	100	100	100	100
Beko Norway ^(*)	Norwegian Krone	100	100	100	100
Beko Denmark ^(*)	Danish Krone	100	100	100	100
Beko Sweden ^(*)	Swedish Krona	100	100	100	100
Beko Finland ^(*)	Euro	100	100	100	100
Grundig Switzerland	Swiss Franc	100	100	100	100
Pan Asia	US Dollar	100	100	100	100
Pazarlama A.Ş.	Turkish Lira	100	100	100	100
PT Home Appliances IND	Indonesian Rupiah	67	67	67	67
PT Beko Appliances Indonesia	Indonesian Rupiah	100	100	100	100
Beko Bangladesh	US Dollar	100	100	100	100
Singer Bangladesh	Bangladeshi Taka	56.99	56.99	56.99	56.99
United Refrigeration Industries	Pakistani Rupee	100	100	100	100
Vietbeko	Vietnamese Dong	100	100	100	100
Arçelik Hitachi	Euro	60	60	60	60
Arçelik Hitachi Shangai	Chinese Yuan	57	57	57	57
Arçelik Hitachi Thailand	Thai Baht	50.4	50.4	50.4	50.4
Arçelik Hitachi Singapore	Singapore Dollar	60	60	60	60

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

2.1 Basis of presentation (Continued)

Continuing operations as of balance sheet date: (Continued)	Functional currency	June 30, 2024		December 31, 2023	
		Ownership Interest	Effective shareholding	Ownership Interest	Effective shareholding
Arçelik Hitachi Sales Thailand	Thai Baht	60	60	60	60
Arçelik Hitachi Malaysia	Malaysian Ringgit	60	60	60	60
Arçelik Hitachi Dubai	Dirham	60	60	60	60
Arçelik Hitachi Vietnam	Vietnamese Dong	60	60	60	60
Arçelik Hitachi Hong Kong	Hong Kong Dollar	60	60	60	60
Arçelik Hitachi Taiwan	Taiwanese Dollar	60	60	60	60
Arçelik Hitachi Indonesia	Indonesian Rupiah	40.5	40.5	40.5	40.5
Arçelik Hitachi Thailand IBC	Thai Baht	60	60	60	60
Beko Azerbaijan	Azerbaijan Manat	100	100	100	100
Beko Croatia ^(*)	Croatian Kuna	100	100	100	100
Beko Hungary ^(*)	Hungarian Forint	100	100	100	100
Beko Egypt LLC	Egyptian Lira	100	100	100	100
Beko Greece ^(*)	Euro	100	100	100	100
IHP Appliances Sales LLC	Russian Ruble	100	100	100	100
IHP Appliances JSC	Russian Ruble	100	100	100	100
IHP Kazakhstan LLP	Kazakhstan Tenge	100	100	100	100
Beko Algeria	Algerian Dinar	100	100	100	100
Beko Belgium ^(*)	Euro	100	100	100	100
Beko Netherlands ^(*)	Euro	100	100	100	100
Beko Europe ^(*)	Euro	100	100	100	100
Whirlpool Österreich G.M.B.H. ^(**)	Euro	75	75	-	-
Nv Whirlpool Belux SA ^(**)	Euro	75	75	-	-
Whirlpool Bulgaria EOOD ^(**)	Bulgarian Lev	75	75	-	-
Whirlpool Croatia LTD ^(**)	Euro	75	75	-	-
Whirlpool C.R. Spol. S.R.O. ^(**)	Czech Koruna	75	75	-	-
Whirlpool Nordic A/S ^(**)	Danish Krone	75	75	-	-
Whirlpool Eesti OÜ ^(**)	Euro	75	75	-	-
Whirlpool Nordic OY ^(**)	Euro	75	75	-	-
Whirlpool France SAS ^(**)	Euro	75	75	-	-
Whirlpool France Holdings SAS ^(**)	Euro	75	75	-	-
Ire Beteiligungs GmbH ^(**)	Euro	75	75	-	-
Bauknecht Hausgeräte GmbH ^(**)	Euro	75	75	-	-
Whirlpool Hellas SA ^(**)	Euro	75	75	-	-
WhirlpoolMagyarország Korlátolt Felelősségű Társaság ^(**)	Hungarian Forint	75	75	-	-
Whirlpool Ireland Appliances Ltd ^(**)	Euro	75	75	-	-
Whirlpool Management Emea SRL ^(**)	Euro	75	75	-	-
Whirlpool Emea SRL ^(**)	Euro	75	75	-	-
Whirlpool Italia SRL ^(**)	Euro	75	75	-	-
Whirlpool R&D SRL ^(**)	Euro	75	75	-	-
Whirlpool Latvia SLA ^(**)	Euro	75	75	-	-
Whirlpool Lietuva UAB ^(**)	Euro	75	75	-	-
European Appliances Netherlands BV ^(**)	Euro	75	75	-	-
Whirlpool Nordic AS ^(**)	Norwegian Krone	75	75	-	-
Whirlpool Company Polska Sp.Z O.O. ^(**)	Euro	75	75	-	-
Whirlpool Polska Appliances Sp. Z O.O. ^(**)	Polish Zloty	75	75	-	-
Whirlpool Portugal S.A. ^(**)	Euro	75	75	-	-
Whirlpool Romania SRL ^(**)	Romanian Lei	75	75	-	-
Whirlpool D.O.O. Belgrade ^(**)	Serbian Dinar	75	75	-	-
Whirlpool Slovakia Home Appliances Spol. S R.O. ^(**)	Euro	75	75	-	-
Whirlpool Slovakia Spol. S R.O. ^(**)	Euro	75	75	-	-
Whirlpool Electrodomesticos S.A. ^(**)	Euro	75	75	-	-
Whirlpool Nordic AB ^(**)	Swedish Krona	75	75	-	-
Indesit Company International Business SA ^(**)	Swiss Franc	75	75	-	-
Bauknecht AG ^(**)	Swiss Franc	75	75	-	-
Whirlpool Company Ukraine LLC ^(**)	Ukrainian Hryvna	75	75	-	-
General Domestic Appliances Holdings LTD ^(**)	British Pound	75	75	-	-
Indesit Company UK Holdings LTD ^(**)	British Pound	75	75	-	-
Whirlpool UK Appliances Limited ^(**)	British Pound	75	75	-	-
Whirlpool Euro Holdings BV ^(**)	Euro	75	75	-	-
Whirlpool Maroc Sarl ^(**)	Moroccan Dirham	100	100	-	-
Whirlpool MEEA DMCC ^(**)	Dirhem	100	100	-	-
Beko AE LLC ^(**)	Dirhem	100	100	-	-
Beko Canada INC ^(**)	Canadian Dollar	100	100	-	-

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2.1 Basis of presentation (Continued)

	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
Ceased operations as of balance sheet date:				
Beko Cesko	-	100	100	100
Grundig Austria	-	100	100	100

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

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

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

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

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

	<u>June 30, 2024</u>	<u>June 30, 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 whose fair values can be reliably measured are classified as financial assets measured at fair value through other comprehensive income in the consolidated financial statements.
- (f) The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as “non-controlling interest” in the consolidated statements of financial position and consolidated statements of profit or loss.

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

2.1 Basis of presentation (Continued)

Going concern

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

Offsetting

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

Comparatives and restatement of prior periods' financial statements

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

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

The fixed asset advances given amounting to TRY 3,014,111 which were classified in the "Tangible Assets" account in the condensed consolidated statement of financial position for the period ending 1 January - 31 December 2023, were classified in the "Prepaid Expenses" account under Fixed Assets.

2.2 Restatement and errors in the accounting policies and estimates

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

2.3 Summary of Significant Accounting Policies

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

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NOTE 3 – BUSINESS COMBINATIONS

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

The final partnership structure shall be determined following the net debt and net working capital adjustments to be made on the basis of the closing financial statements to be prepared. In the event of any variation in the partnership ratio based on the finalized closing financial statements, the Parties shall make a cash payment of up to EUR 30 million to Beko Europe to preserve the existing partnership ratio. Should a payment in excess of the specified amount be required to maintain the partnership ratio, the Parties shall have the right to either make such payment or accept the new partnership ratio.

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

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

At the date of the business combination, the value of the non-controlling interest in Beko Europe BV, representing a 25% shares of Whirlpool Corporation, in the consolidated financial statements was measured as the sum of the portion attributable to these shares of the fair value of the net assets of Whirlpool subsidiaries at the acquisition date and the portion attributable to these shares of the carrying amount of the net assets of Arçelik's European production, sales, and marketing subsidiaries. In this context, the difference of TL 15,775,904,897 between 25% of the fair value of Arçelik's European production, sales, and marketing subsidiaries, which was accepted as the consideration transferred, and 25% of the carrying amount of the net assets of these subsidiaries, was recognized as a transaction with non-controlling interest and was accounted for in retained earnings.

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NOTE 3 – BUSINESS COMBINATIONS (Continued)

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

	1 April 2024
Cash and cash equivalents	7,756,099
Trade receivables	22,402,067
Provision for expected credit loss (Note 9)	(898,407)
Other receivables	504,761
Derivative instruments	43,975
Inventories	16,917,659
Provision for inventories	(698,289)
Other current assets	3,454,685
Property, plant and equipment (Note 13)	27,413,891
Intangible assets (Note 14)	9,159,514
Deferred tax assets /(liabilities), net (Note 26)	6,879,724
Other non-current assets	1,059,437
Lease liabilities (Note 7)	(5,332,839)
Trade payables and other payables	(46,607,484)
Provisions to employee benefits and other provisions	(11,039,185)
Other liabilities	(6,591,935)
Total net identifiable assets (%100) (provisional)	24,423,673
Representing the 75% share acquired (provisional)	18,317,755
Goodwill (provisional)	-
Total consideration transferred (provisional)	18,317,755

As of June 30, 2024, the total costs associated with the acquisition of Whirlpool (MENA+EMEA) and included in the general and administrative expenses of Arçelik Group's consolidated income statement amount to TRY 88,452. (December 2023: TRY 316,371.)

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 27,880,663 and TRY (1,986,704) for revenue and net profit for the period, respectively.

In the consolidated statement of profit or loss, Whirlpool Euro Holding BV's share of sales revenue generated after the acquisition date amounted to TRY 25,285,528, while its contribution to the net profit for the period was (TRY 1,804,606).

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

Total consideration transferred - cash	-
Cash and cash equivalents - acquired	7,756,099
Net cash inflow from the acquisition	7,756,099

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NOTE 3 – BUSINESS COMBINATIONS (Continued)

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

The consideration transferred, initially estimated at 20 million Euro subject to adjustment for net indebtedness and net working capital as determined by the closing financial statements, has been finalized at 38 million Euro considering the current net cash position, and paid to Whirlpool EMEA on April 1, 2024. This amount remains subject to further adjustment based on the finalized closing financial statements.

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

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

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

	<u>1 April 2024</u>
Cash and cash equivalents	605,924
Trade receivables	518,361
Provision for expected credit loss (Note 9)	(36,734)
Inventories	380,268
Provision for inventories	(3,027)
Other current assets	29,605
Property, plant and equipment (Note 13)	10,998
Intangible assets (Note 14)	11,281
Deferred tax assets /(liabilities), net (Note 26)	31,104
Trade payables and other payables	(585,237)
Other Liabilities	(172,886)
Total net identifiable assets (%100) (provisional)	789,657
Goodwill (provisional)	69,191
Total consideration transferred	858,848

Had the companies in question been consolidated as of January 1, 2024, the Group's consolidated income statement would have reflected an additional TRY 1,191,767 in revenue and TRY (48,476) in net profit for the period.

In the consolidated statement of profit or loss, Whirlpool MENA's share of post-acquisition sales revenue amounted to TRY 1,057,637, while its contribution to the net profit for the period was TRY 40,101.

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

Total consideration transferred - cash	(858,848)
Cash and cash equivalents - acquired	605,924
Net cash outflow from the acquisition	(252,924)

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NOTE 4 - SEGMENT REPORTING

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

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

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

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

	White goods	Consumer electronics	Other	Total
Net sales (*)	135,042,002	10,315,208	34,566,186	179,923,396
Gross profit	38,555,225	1,494,513	11,316,771	51,366,509
Depreciation and amortization	6,140,662	264,861	267,447	6,672,970
Capital expenditures	7,561,027	421,120	248,139	8,230,286

- (*) For the period ended June 30, 2024, the Group recognized net sales of TRY 178,154,968 related to performance obligations satisfied at a point in time. (2023: TRY 157,172,978).

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

	White goods	Consumer electronics	Other	Total
Net sales	119,446,435	10,533,717	27,356,721	157,336,873
Gross profit	36,595,748	2,039,302	8,520,709	47,155,759
Depreciation and amortization	5,120,809	280,692	240,568	5,642,069
Capital expenditures	5,029,492	391,990	140,938	5,562,420

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

	White goods	Consumer electronics	Other	Total
Net sales (*)	75,519,205	4,562,995	21,502,150	101,584,350
Gross profit	19,809,071	763,141	7,544,766	28,116,978
Depreciation and amortization	3,611,166	118,668	150,561	3,880,395
Capital expenditures	4,631,416	224,552	160,354	5,016,322

- (*) For the period from April 1 to June 30, 2024, the Group recognized net sales of TRY 99,711,705 related to performance obligations satisfied at a point in time. (2023: TRY 82,327,212).

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NOTE 4 - SEGMENT REPORTING (Continued)

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

	White goods	Consumer electronics	Other	Total
Net sales	61,570,624	5,187,582	15,813,029	82,571,235
Gross profit	19,111,560	1,199,984	5,334,651	25,646,195
Depreciation and amortization	2,562,688	136,997	129,533	2,829,218
Capital expenditures	2,437,049	196,614	74,281	2,707,944

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

January 1 - June 30, 2024	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	65,363,849	77,074,257	21,993,649	7,292,410	8,199,231	179,923,396

January 1 - June 30, 2023	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	60,574,047	57,960,864	25,015,678	6,824,468	6,961,816	157,336,873

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

April 1 - June 30, 2024	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	32,045,408	50,281,430	11,755,501	3,936,255	3,565,756	101,584,350

April 1 - June 30, 2023	Turkey	Europe	Asia Pacific	Africa	Other	Total
Total segment revenue	32,401,137	29,606,279	14,258,333	3,341,014	2,964,472	82,571,235

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NOTE 5 - CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023
Cash in hand	84,653	27,970
Cash at banks		
- demand deposits	13,209,844	13,362,278
- time deposits	29,846,582	45,871,303
Cheques and notes	557,427	443,711
Other (*)	1,513,495	1,135,998
Cash and cash equivalents in cash flow statement	45,212,001	60,841,260
Interest income accruals	45,023	18,961
	45,257,024	60,860,221

(*) As of June 30, 2024, TRY 1,234,727 consists of credit card receivables with a maturity of less than 3 months (December 31, 2023: TRY 1,062,651).

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

Up to 30 days	41,305,074	59,539,229
30-90 days	3,951,950	1,320,992
	45,257,024	60,860,221

NOTE 6 - FINANCIAL INVESTMENTS

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

	June 30, 2024	December 31, 2023
Financial assets that its fair value gain/losses of reflected to other comprehensive income	163,730	176,798
Total	163,730	176,798

	June 30, 2024	December 31, 2023
Ultra Kablolu	97,234	97,234
Hoxton Ventures III	30,493	24,996
500 Startups Istanbul Fund II Cooperatif	22,471	18,968
E&E Recycling, INC	7,950	9,417
Thai Refrigeration Components Co., Ltd.	4,696	5,627
Tat Gıda Sanayi A.Ş.	-	19,516
Other	886	1,040
	163,730	176,798

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NOTE 6 - FINANCIAL INVESTMENTS (Continued)

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

	2024	2023
As of January 1	176,798	180,621
Change in fair value	-	(13,072)
Additions	9,002	5,098
Disposal	(19,516)	-
Currency translation differences	(2,554)	1,850
Inflation effect	-	728
As of June 30	163,730	175,225

NOTE 7 - BORROWINGS

a) Short-term borrowings

	June 30, 2024	December 31, 2023
Short-term bank borrowings	40,737,296	48,975,357
Short-term lease liabilities	2,658,330	1,183,054
Payables due to factoring activities	904,789	868,580
Other short-term borrowings ^(*)	12,276,012	13,195,210
Total short-term borrowings	56,576,427	64,222,201
Short-term portion of long-term bank borrowings and interest accruals	4,124,105	5,925,729
Short term portion of long-term bond issued and interest accruals	4,888,597	1,510,078
Total short-term portion of long-term borrowings	9,012,702	7,435,807

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

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NOTE 7 - BORROWINGS (Continued)

a) Short-term borrowings (Continued)

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

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	6.0	708,823,751	24,899,844
Turkish Lira	49.4	12,148,166,796	12,148,167
US Dollar	6.1	214,641,474	7,045,864
Bangladeshi Taka	12.0	10,161,724,001	2,841,421
Pakistani Rupee	22.2	12,040,322,797	1,412,209
Russian Ruble	18.1	3,543,213,796	1,352,976
Thai Baht	5.7	834,866,328	746,805
Australian Dollar	6.1	31,231,014	679,718
Romanian Lei	8.7	78,391,788	550,146
Norwegian Krone	6.1	97,341,561	299,014
Swedish Krona	5.4	95,833,631	294,631
Malaysian Ringgit	6.0	33,047,530	230,166
Chinese Yuan	3.7	45,564,167	204,743
Indonesian Rupiah	9.5	95,525,366,667	192,006
Czech Koruna	6.5	82,032,005	115,271
Danish Krone	5.0	69,485	327
			53,013,308

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NOTE 7 - BORROWINGS (Continued)

a) Short-term borrowings (Continued)

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

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	6.1	1,097,308,197	35,743,607
Turkish Lira	40.1	13,025,075,966	13,025,076
Bangladeshi Taka	9.3	10,340,533,608	2,776,123
US Dollar	8.6	82,800,943	2,437,511
Polish Zloty	7.3	249,899,211	1,878,917
Pakistani Rupee	23.2	17,581,389,256	1,846,925
Russian Ruble	18.2	2,697,473,034	879,673
Swedish Krona	5.2	280,760,131	822,599
British Pound	7.1	20,727,637	776,078
Australian Dollar	6.1	37,820,856	757,223
Thai Baht	5.5	407,860,494	350,417
Malaysian Ringgit	6.0	39,913,834	255,946
Indonesian Rupiah	9.5	113,833,403,206	217,422
Norwegian Krone	6.1	61,002,693	176,048
Czech Koruna	8.5	96,948,871	128,011
Romanian Lei	8.7	12,598,193	82,031
Chinese Yuan	4.7	4,116,286	16,960
			62,170,567

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

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.8	12,772,571	448,680
Polish Zloty	6.8	28,189,386	229,899
British Pound	6.8	5,438,248	225,342
Swiss Franc	2.1	23,361	851
Russian Ruble	17.4	47,802	17
			904,789

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

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
British Pound	6.2	5,960,880	421,237
Polish Zloty	6.8	56,025,290	223,185
Euro	5.1	6,743,996	219,679
Swiss Franc	2.4	99,204	3,469
Russian Ruble	14.5	3,096,409	1,010
			868,580

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings

	June 30, 2024	December 31, 2023
Long-term bonds issued (**)	30,504,206	32,497,990
Long-term bank borrowings	18,309,603	19,389,752
Long-term lease liabilities	6,852,217	3,570,692
	55,666,026	55,458,434

(**) Long term bond issued:

2024 yılı:

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

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

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

2023:

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

2021:

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

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

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

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.6	406,834,276	14,291,438
South Africa Rand	9.5	1,673,623,427	3,020,388
US Dollar	9.2	50,898,668	1,670,810
Pakistani Rupee	22.9	7,909,132,805	927,662
Romanian Lei	7.4	116,844,961	820,006
Bangladeshi Taka	12.5	2,020,833,333	565,065
Turkish Lira	51.5	516,069,101	516,069
British Pound	7.4	10,370,000	429,697
Russian Ruble	18.0	504,316,667	192,573
			22,433,708
Short-term portion of long-term loans and interest accruals			(4,124,105)
			18,309,603

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

Currency	Effective interest rate per annum (%)	Original Currency	TRY Equivalent
Euro	4.8	550,221,210	17,922,851
South Africa Rand	9.5	1,803,751,318	2,879,710
US Dollar	9.2	63,525,717	1,870,083
Pakistani Rupee	22.6	9,968,681,171	1,047,210
Romanian Lei	7.4	96,923,008	631,095
British Pound	7.5	12,473,458	467,027
Turkish Lira	39.8	390,385,351	390,385
Russian Ruble	18.0	328,477,074	107,120
			25,315,481
Short-term portion of long-term loans and interest accruals			(5,925,729)
			19,389,752

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

Currency	Effective interest rate per annum (%)	Original currency	TRY equivalent
US Dollar	8.5	511,317,935	16,714,944
Euro	3.0	350,978,082	12,326,807
Turkish Lira	46.1	6,351,052,380	6,351,052
			35,392,803
Short-term portion of long-term bonds and interest accruals			(4,888,597)
			30,504,206

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

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

Currency	Effective interest rate per annum (%)	Original currency	TRY Equivalent
US Dollar	8.5	634,267,331	18,671,690
Euro	3.0	444,307,893	14,472,842
Turkish Lira	28.3	863,536,000	863,536
			34,008,068
Interest accruals of long-term bonds issued			(1,510,078)
			32,497,990

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

	June 30, 2024	December 31, 2023
2025	3,387,660	4,153,924
2026	17,971,241	18,140,013
2027	3,593,776	3,359,052
2028 to 2032	23,861,132	26,234,753
	48,813,809	51,887,742

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

	June 30, 2024	December 31, 2023
Up to 3 months	29,681,536	46,836,407
3 - 12 months	31,029,794	20,969,592
1-5 years	45,901,453	47,480,962
Over 5 years	2,663,429	4,275,102
	109,276,212	119,562,063

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NOTE 7 - BORROWINGS (Continued)

b) Long-term borrowings (Continued)

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

		Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
2024	Lease Liabilities			
Financial liabilities as of January 1	(4,753,746)	(70,474,954)	(51,887,742)	(127,116,442)
Cash flows	1,677,654	(2,153,078)	(3,874,598)	(4,350,022)
Transfers	-	(482,436)	482,436	-
Changes in interest accruals	(355,766)	361,635	-	5,869
Changes in factoring liabilities	-	(36,210)	-	(36,210)
Changes in lease liabilities	(1,707,550)	-	-	(1,707,550)
Acquisitions (Note 3)	(5,332,839)	-	-	(5,332,839)
Currency translation adjustments	735,482	(3,035,207)	(3,223,129)	(5,522,854)
Inflation adjustments	226,218	12,889,451	9,689,224	22,804,893
Financial liabilities as of June 30	(9,510,547)	(62,930,799)	(48,813,809)	(121,255,155)

		Borrowings and bonds issued due within 1 year	Borrowings and bonds issued due after 1 year	Total
2023	Lease Liabilities			
Financial liabilities as of January 1	(4,714,108)	(71,174,011)	(29,834,129)	(105,722,248)
Cash flows	1,074,380	(7,987,415)	(4,533,151)	(11,446,186)
Transfers	-	(117,403)	117,403	-
Changes in interest accruals	(197,472)	602,637	-	405,165
Changes in factoring liabilities	-	(169,387)	-	(169,387)
Changes in lease liabilities	(1,101,295)	-	-	(1,101,295)
Currency translation adjustments	(580,856)	(9,980,031)	(7,175,265)	(17,736,152)
Inflation adjustments	92,204	11,880,047	4,918,002	16,890,253
Financial debt as of June 30	(5,427,147)	(76,945,563)	(36,507,140)	(118,879,850)

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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.

	June 30, 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	85,393,810	331,719	(894,230)	62,577,732	455,102	(113,887)
Foreign currency swap contracts	59,498,972	81,121	(190,528)	28,475,068	110,368	(46,361)
<hr/>						
Short-term derivative instruments, net		412,840	(1,084,758)		565,470	(160,248)
<hr/>						
<i>Long-term derivative instruments</i>						
<i>Cash flow hedge:</i>						
Cross currency swap contracts (*)	26,281,169	-	(314,461)	29,898,462	-	(969,697)
<hr/>						
Long-term derivative instruments, net		-	(314,461)		-	(969,697)

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

The Group converted its USD 400 million nominal value bond issue into EUR through a foreign currency swap transaction. The foreign currency swap transaction is used as a hedging tool against parity risk exposure due to highly probable estimated EUR-based sales revenues and cash flow hedge accounting is applied. Accordingly, the amount of the related bond liability as of June 30, 2024 is TRY 13,130,480. The after-tax impact recorded in the "gains/(losses) from cash flow hedges" account in the other comprehensive income statement for the six months period ended June 30, 2024 related to this transaction is TRY 364,601.

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

	June 30, 2024	December 31, 2023
Short-term trade receivables:		
Trade receivables	103,228,959	79,685,482
Notes receivables	2,796,743	3,592,010
Cheques receivables	1,822,686	1,493,530
Short-term trade receivables (gross)	107,848,388	84,771,022
Provision for expected credit loss	(1,682,820)	(943,299)
Unearned credit finance income	(2,768,302)	(1,571,855)
Short-term trade receivables (net)	103,397,266	82,255,868

As of June 30, 2024, the Group has offsetted TRY 8,361,091 (December 31, 2023: TRY 8,143,730) 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 432,011 related with its local bank borrowings (December 31, 2023: TRY 451,074).

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

	2024	2023
As of January, 1	943,299	1,566,347
Current year additions (Note 22)	141,029	111,202
Provisions no longer required (Note 22)	(109,514)	(15,832)
Acquisitions (Note 3)	935,141	4,443
Write-offs (*)	(63,294)	(427,271)
Currency translation differences	(130,528)	46,081
Inflation adjustments	(33,313)	(48,379)
As of June, 30	1,682,820	1,236,591

(*) 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.

	June 30, 2024	December 31, 2023
Long-term trade receivables		
Trade receivables	57,579	73,845
Unearned credit finance income	(22,806)	(31,283)
	34,773	42,562

	June 30, 2024	December 31, 2023
Short-term trade payables:		
Trade payables	95,588,965	57,962,319
Debt accruals	7,287,473	4,290,073
Unearned credit finance charges	(1,983,990)	(1,159,214)
	100,892,448	61,093,178

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NOTE 10 - OTHER PAYABLES

	June 30, 2024	December 31, 2023
Taxes and duties payable	4,055,432	4,384,362
Dividend payables to shareholders	38,104	44,507
Deposits and guarantees received	40,795	43,608
Other	695,383	518,206
	4,829,714	4,990,683

NOTE 11 - INVENTORIES

	June 30, 2024	December 31, 2023
Raw materials and supplies	31,194,098	23,928,058
Work in progress	2,431,729	1,968,059
Finished goods	35,436,798	32,793,104
Trade goods	8,380,507	1,293,277
Inventories (gross)	77,443,132	59,982,498
Provision for impairment on inventories	(1,217,720)	(797,585)
Inventories (net)	76,225,412	59,184,913

In line with the general financial market convention in Pakistan, Dawlance has hypothecation on its inventories amounting to TRY 336,239 related with its local bank borrowings (December 31, 2023: TRY 496,123).

NOTE 12 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2024		December 31, 2023	
	%	TRY	%	TRY
Koç Finansman	47.0	791,025	47.0	779,868
Arçelik – LG	45.0	658,561	45.0	688,102
VoltBek	49.0	653,823	49.0	251,983
Ram Dış Ticaret	33.5	46,409	33.5	96,329
		2,149,818		1,816,282

The movements of associates for the six months period ended June 30, are as follows:

	2024	2023
As of January 1	1,816,282	2,556,979
Shares of income/loss of associates	(232,089)	(184,902)
Shares of other comprehensive income/loss of associates	(4,284)	(13,820)
Gross profit elimination on inventory	7,112	33,951
Share participation in associates	454,607	-
Cash dividend from associates	(45,553)	(30,595)
Currency translation difference	153,743	260,979
As of June 30	2,149,818	2,622,592

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

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

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April - 30 June 2023
Koç Finansman	34,638	19,755	5,942	15,474
Ram Dış Ticaret	(28,063)	17,344	(34,047)	82,368
Arçelik-LG	(32,152)	92,888	15,780	118,081
VoltBek	(206,512)	(314,889)	(109,759)	(177,125)
	(232,089)	(184,902)	(122,084)	38,798

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	2024	2023
As of January 1		
Cost	134,204,720	131,934,212
Accumulated depreciation	(78,584,628)	(78,470,930)
Net carrying value	55,620,092	53,463,282
Net carrying value at the beginning of the period	55,620,092	53,463,282
Additions	7,590,367	5,066,412
Acquisitions (Note 3)	27,424,889	82,796
Disposals	(193,515)	(253,866)
Transfers	(395,903)	(82,248)
Currency translation differences	(4,819,061)	2,665,454
Depreciation for the period	(5,151,094)	(4,465,872)
Net carrying value at the end of the period	80,075,775	56,475,958
As of June 30		
Cost	159,197,421	143,834,049
Accumulated depreciation	(79,121,646)	(87,358,091)
Net carrying value	80,075,775	56,475,958

As of June 30, 2024, the net book value of the right of use assets classified under tangible assets is TRY 8,833,415 (June 30, 2023: TRY 6,231,588).

Additions to rights-to-use assets for the six months period ended June 30, 2024 TRY 1,807,568 (June 30, 2023: TRY 1,295,270), depreciation expenses are TRY 1,523,973 (June 30, 2023: TRY 1,108,901).

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

The total of depreciation expenses capitalized in 2024 is TRY 38,262 (2023: TRY 41,672).

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NOTE 14 - OTHER INTANGIBLE ASSETS

	2024	2023
As of January 1		
Cost	44,791,098	41,691,203
Accumulated amortization	(19,969,663)	(17,872,682)
Net carrying value	24,821,435	23,818,521
Net carrying value at the beginning of the period	24,821,435	23,818,521
Additions	2,447,487	1,791,278
Acquisitions (Note 3)	9,170,795	818,057
Disposals	(1,035)	(7,420)
Transfers	395,903	82,248
Currency translation differences	(1,854,282)	1,869,621
Amortization for the period	(1,521,876)	(1,176,197)
Net carrying value at the end of the period	33,458,427	27,196,108
As of June 30		
Cost	54,011,040	46,423,781
Accumulated amortization	(20,552,613)	(19,227,673)
Net carrying value	33,458,427	27,196,108

As of June 30, 2024, total amount of capitalized borrowing cost is zero (June 30, 2023: TRY 413).

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NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As of June 30, 2024, export commitments from Turkey under the scope of inward processing authorization certificates as export incentives amounts to full USD 1,124,798,147 (December 31, 2023: USD 339,837,400). In case that the related tax advantages are not utilized, it is possible to close of the certificates including export commitments without any sanctions.

	June 30, 2024	December 31, 2023
Collaterals obtained	35,687,853	32,122,226

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

	June 30, 2024	December 31, 2023
CPMB’s given by the Company		
A, CPMB’s given for Company’s own legal personality	10,974,521	6,100,638
B, CPMB’s given on behalf of fully consolidated companies	10,499,971	12,168,256
C, CPMB’s given on behalf of third parties for ordinary course of business	-	-
D, Total amount of other CPMB’s	-	-
i) Total amount of CPMB’s given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB’s given on behalf of other Group companies which are not in scope of B and C	-	-
iii) Total amount of CPMB’s given on behalf of third parties which are not in scope of C	-	-
Total	21,474,492	18,268,894

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

	June 30, 2024	December 31, 2023
CPMB's given by the Company		
Turkish Lira	757,104	745,910
Euro	8,792,356	3,971,686
US Dollar	6,595,125	8,252,306
Other currencies	5,329,907	5,298,992
	21,474,492	18,268,894

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NOTE 16 - OTHER PROVISIONS

	June 30, 2024	December 31, 2023
Other short-term provisions		
Warranty provision	3,522,686	3,153,417
Provision for lawsuit risks ^(*)	2,747,224	116,196
Reimbursement for transportation costs	1,913,888	1,409,447
Assembly cost reimbursement	1,806,699	1,497,174
Other	1,836,605	1,742,068
	11,827,102	7,918,302
Other long-term provisions		
Warranty provision	1,926,216	1,394,832
Provision for lawsuit risks ^(*)	1,006,281	688
Other	257,703	159,885
	3,190,200	1,555,405

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

NOTE 17 - PREPAID EXPENSES

	June 30, 2024	December 31, 2023
Short-term prepaid expenses		
Prepaid expenses for following months	4,681,301	1,990,100
Advances given for inventories	1,602,914	992,496
	6,284,215	2,982,596
Advances given for property, plant and equipment	4,857,204	5,918,193
Other	551,658	337,617
	5,408,862	6,255,810

NOTE 18 - CURRENT INCOME TAX ASSETS

	June 30, 2024	December 31, 2023
Prepaid taxes and funds	1,746,194	2,153,273
	1,746,194	2,153,273

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NOTE 19 - EMPLOYEE BENEFIT OBLIGATIONS

	June 30, 2024	December 31, 2023
Payables to personnel	4,496,118	3,465,977
Social security payables	1,898,377	1,383,217
Accruals for bonuses and premiums	917,322	459,412
	7,311,817	5,308,606

NOTE 20 - OTHER ASSETS AND LIABILITIES

	June 30, 2024	December 31, 2023
Other current assets:		
Value added tax and private consumption tax receivable	2,427,599	2,798,338
Taxes and funds deductible	1,733,895	757,459
Advances given	1,032,527	367,106
Income accruals	675,712	249,669
Deposits and guarantees given	280,778	185,306
Other	728,803	210,972
	6,879,314	4,568,850

	June 30, 2024	December 31, 2023
Other current liabilities:		
Accruals for customer premiums	13,662,212	10,450,028
Value added tax and special consumption tax payables	1,853,163	63
Advances received	1,222,027	2,091,198
Deferred income	614,374	711,525
Other	587,848	154,700
	17,939,624	13,407,514

	June 30, 2024	December 31, 2023
Other long-term liabilities:		
Deffered income	4,520,037	4,219,630
Liabilities related to acquisitions (*)	3,737,510	4,821,568
Other	296,916	313,328
	8,554,463	9,354,526

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

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NOTE 21 - EQUITY

Paid-in capital

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

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

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

The shareholding structure of the Company is as follows:

	June 30, 2024		December 31, 2023	
	Share (%)	Amount	Share (%)	Amount
Shareholders				
Koç Holding A.Ş.	41,43	279,929	41,43	279,929
Temel Ticaret ve Yatırım A.Ş.	2,75	18,577	2,75	18,577
Koç Family Members	8,67	58,590	8,67	58,590
Total Koç Family members and companies owned by Koç Family members	52,85	357,096	52,85	357,096
Teknosan Büro Makine ve Levazımı Ticaret ve Sanayi A.Ş.	12,05	81,428	12,05	81,428
Burla Ticaret ve Yatırım A.Ş.	5,56	37,572	5,56	37,572
Koç Holding Emekli ve Yardım Sandığı 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
Paid-in capital	100,00	675,728	100,00	675,728
Adjustment to share capital (**)		19,667,532		19,667,532
Total share capital		20,343,260		20,343,260

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

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

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

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NOTE 21 - EQUITY (Continued)

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

June 30, 2024 (IFRS)	Historical value	Inflation adjustment effect	Indexed value
Capital	675,728	19,667,533	20,343,261
Reserves for treasury shares	3,095,543	6,859,252	9,954,795
Legal reserves	887,707	4,885,973	5,773,680
Other reserves	10,687	16,389	27,076

June 30, 2024 (TAS)	Historical value	Inflation adjustment effect	Indexed value
Capital	675,728	17,997,470	18,673,198
Reserves for treasury shares	3,095,543	7,342,840	10,438,383
Legal reserves	887,707	8,636,444	9,524,151
Other reserves	10,687	19,779	30,466

Repurchased shares

Pursuant to the share repurchase program initiated by the Board of Directors' resolution dated July 1, 2021, and continued by the Board of Directors' resolution dated May 24, 2022, as of June 30, 2024, a total of 68,876 shares with a nominal value of TL 68,876, representing 10.19% of the company's share capital, were repurchased for a total consideration of TL 9,954,795 including transaction costs (December 31, 2023: TL 9,954,795). There were no sales of repurchased shares as of the report date.

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NOTE 21 - EQUITY (Continued)

Restricted reserves

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

The details of these restricted reserves are as follows:

	June 30, 2024	December 31, 2023
Legal reserves	5,773,680	5,773,680
Reserves for treasury shares	9,954,795	9,954,795
Other reserves	27,076	27,076

Dividend distribution

Listed companies distribute dividend in accordance with the Communiqué No, II-19,1 issued by the CMB which is effective from February 1, 2014.

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

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

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NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1	1		
	January- 30 June 2024	January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
Other income from operating activities:				
Foreign exchange gains arising from trading activities	4,807,585	9,261,978	1,404,439	8,076,088
Income from claims and grants	187,869	216,978	96,293	128,143
Credit finance income arising from trading activities	128,350	148,600	61,436	76,239
Expected credit loss provisions no longer required (Note 9)	109,514	15,832	104,847	6,974
Other	17,376	33,027	9,733	19,062
	5,250,694	9,676,415	1,676,748	8,306,506
Other expenses from operating activities:				
Foreign exchange losses arising from trading activities	3,761,846	8,912,766	1,225,618	7,763,853
Credit finance charges arising from trading activities	2,261,012	1,986,832	863,139	959,492
Provision for expected credit lose (Note 9)	141,029	111,202	102,058	68,573
Other	207,536	55,135	185,330	15,977
	6,371,423	11,065,935	2,376,145	8,807,895

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NOTE 23 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
Income from investment activities:				
Income generated from the change in contingent liabilities(*)	970,390	-	970,390	-
Income from sales of property plant and equipment	23,560	31,573	13,367	7,859
Gain from sales of financial assets	17,706	-	-	-
Dividend income from financial investments	2,005	-	2,005	-
	1,013,661	31,573	985,762	7,859
Expenses from investment activities:				
Loss from sales of property plant and equipment	(129,253)	(51,000)	(101,636)	(10,881)
	(129,253)	(51,000)	(101,636)	(10,881)

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

NOTE 24 - FINANCIAL INCOME

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
Foreign exchange gains (*)	7,248,272	7,329,138	1,598,697	4,889,337
Interest income	1,464,475	843,423	730,351	409,040
Gains on derivative instruments	1,118,094	7,462,239	602,896	6,587,071
Other	399,942	270,051	271,358	98,813
	10,230,783	15,904,851	3,203,302	11,984,261

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

NOTE 25 - FINANCIAL EXPENSES

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
Foreign exchange losses (*)	(9,909,311)	(15,992,349)	(2,084,339)	(12,897,559)
Interest expenses (**)	(4,873,044)	(4,113,081)	(2,170,281)	(1,551,300)
Losses on derivative instruments	(3,505,780)	(1,835,068)	(2,440,335)	(1,027,580)
Interest expense from contingent liability	(253,496)	(307,200)	(96,501)	(161,868)
Other	(909,661)	(810,089)	(620,027)	(731,676)
	(19,451,292)	(23,057,787)	(7,411,483)	(16,369,983)

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

(**) TRY 355,766 of the interest expenses consists of the interest expense on the lease liabilities (2023: TRY 197,472).

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NOTE 26 - TAX ASSETS AND LIABILITIES

	June 30, 2024	December 31, 2023
Corporation and income taxes	1,519,875	1,382,995
Prepaid tax	(599,012)	(856,818)
Tax liabilities (net)	920,863	526,177
Deferred tax assets	20,274,864	10,266,979
Deferred tax liabilities	(6,198,584)	(4,226,101)
Deferred tax assets, net	14,076,280	6,040,878

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 six months period ended June 30 is as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
Tax income/(expense)				
- Current period tax expense	(1,448,566)	(1,704,962)	(275,482)	(723,662)
- Deferred tax income	1,389,594	1,097,662	1,021,043	378,941
Total tax income/(expense), net	(58,972)	(607,300)	745,561	(344,721)

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

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NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

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

	Cumulative taxable (deductible) temporary differences		Deferred tax assets/ (liabilities)	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Property, plant and equipment and intangible assets	16,530,666	25,005,987	(4,616,273)	(6,088,167)
Unused tax credits (*)	-	-	3,595,346	3,150,185
Provision for expected credit lose	(427,670)	(527,245)	137,726	155,673
Inventories	(4,175,066)	(1,380,493)	1,230,896	593,138
Provision for warranty, assembly and transportation expenses	(5,051,322)	(8,070,309)	1,221,197	1,978,020
Provision for employment termination benefits	(5,618,337)	(5,058,611)	1,319,958	1,099,995
Cost and expense provisions	(8,483,151)	(7,382,160)	1,847,277	1,629,033
Derivative instruments	(9,011,054)	(5,886,757)	2,262,837	1,402,058
Unused tax credits	(12,599,418)	(6,850,548)	6,256,383	1,982,967
Other	(2,503,778)	(1,774,102)	820,933	137,976
Deferred tax assets, net			14,076,280	6,040,878

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 3,595,346 (December 31, 2023: TRY 3,150,185) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the condensed consolidated financial statements as of June 30, 2024, TRY 445,161 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 – June 30, 2024 from accounting of such deferred tax assets.

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

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

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NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

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

	2024	2023
Balance as of January 1	6,040,878	(3,050,845)
Deferred tax income recognized in statement of profit or loss	1,389,594	1,097,662
Deferred tax income recognized directly in the equity	11,888	876,435
Acquisitions (Note 3)	6,910,828	(564,606)
Currency translation differences	(276,908)	4,015,900
Balance as of June 30	14,076,280	2,374,546

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

NOTE 27 - EARNINGS PER SHARE

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

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

Earnings per share are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
Profit for the year attributable to equity holders of the parent	(4,086)	3,006,462	(432,399)	1,607,235
Weighted average number of ordinary shares with nominal value (kuruş per value) (*)	60,685,191,700	60,685,191,700	60,685,191,700	60,685,191,700
Earnings per share (kuruş)	(0.007)	4.954	(0.713)	2.648

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

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NOTE 28 - RELATED PARTY DISCLOSURES

(i) Balances with related parties

	June 30, 2024	December 31, 2023
(a) Due from related parties:		
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	343,550	73,848
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	323,635	373,047
Wat Motor Sanayi ve Ticaret A.Ş. (“Wat Motor”) ⁽¹⁾	82,159	212,951
Setur Servis Turistik A.Ş. ⁽¹⁾	52,967	-
Other	80,052	58,191
	882,363	718,037
	June 30, 2024	December 31, 2023
(b) Due to related parties:		
<i>Short-term trade payables</i>		
Arçelik-LG ⁽³⁾	4,051,381	1,665,658
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	2,673,841	2,701,969
Ram Dış Ticaret A.Ş. ⁽²⁾	487,294	849,815
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ⁽¹⁾	151,156	188,244
Setur Servis Turistik A.Ş. ⁽¹⁾	142,430	74,294
Ingage Dijital Pazarlama Hizmetleri A.Ş. ⁽¹⁾	104,940	324,859
Ark İnşaat Sanayi ve Ticaret A.Ş. ⁽¹⁾	33,256	147,295
Other	163,123	566,833
	7,807,421	6,518,967

⁽¹⁾ Koç Holding group companies

⁽²⁾ Associatesx

⁽³⁾ Joint venture

(c) Deposits:

	June 30, 2024	December 31, 2023
Yapı ve Kredi Bankası A.Ş. and its subsidiaries ⁽¹⁾	388,769	825,188

(d) Derivative instruments

	Contract	Fair value	
June 30, 2024	amount	assets/(liabilities)	
Yapı ve Kredi Bankası A.Ş. and its subsidiaries	5,791,634	-	(268,609)
December 31, 2023	Contract	Fair value	
	Amount	assets/(liabilities)	
Yapı ve Kredi Bankası A.Ş. and its subsidiaries	12,560,219	194,114	(2,274)

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

(ii) Transactions with related parties

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
(a) Sales of goods and services:				
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	1,185,250	672,780	411,950	358,167
Koçtaş Yapı Marketleri Ticaret A.Ş. ⁽¹⁾	315,427	174,716	187,037	66,321
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	308,519	484,652	163,855	184,785
WAT Motor ⁽¹⁾	48,473	188,432	13,230	107,292
Other	59,024	180,345	40,603	103,669
	1,916,693	1,700,925	816,675	820,234
(b) Purchases of goods and services:				
Arçelik-LG ⁽⁴⁾	6,386,492	5,135,323	4,131,195	3,769,650
Zer Merkezi Hizmetler ve Ticaret A.Ş. ⁽¹⁾	5,986,787	5,227,879	3,511,867	3,040,050
Ram Dış Ticaret ⁽³⁾	1,545,386	1,708,456	592,035	643,951
Token Ödeme Hizmetleri ve Elektronik Para A.Ş. ⁽¹⁾	977,782	651	782,728	100
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ⁽¹⁾	535,996	381,120	311,479	205,684
Token Finansal Teknolojiler A.Ş. ⁽¹⁾	427,027	732,320	143,216	250,328
Ingage Dijital Pazarlama Hizmetleri A.Ş.	336,581	241,337	280,592	180,631
Bilkom Bilişim Hizmetleri A.Ş. ⁽¹⁾	298,302	295,506	92,912	189,317
Koç Holding A.Ş. ⁽²⁾	129,717	95,717	65,914	60,119
Other	1,618,583	1,161,523	632,933	921,247
	18,242,653	14,979,832	10,544,871	9,261,077

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

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

(1) Koç Holding group companies

(2) Main partner

(3) Associates

(4) Joint venture

(c) Key management compensation:

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

In the six months period ended June 30, 2024, the total benefits provided to senior executives of Arçelik A.Ş. by our company and its subsidiaries, calculated on the basis of purchasing power as of June 30, 2024, amounted to TRY 142,615 (June 30, 2023: TRY 123,154).

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

(d) Other transactions:

	1	1	1	1
	January- 30 June 2024	January- 30 June 2023	1 April- 30 June 2023	1 April- 30 June 2023
<i>Interest income:</i>				
Yapı ve Kredi Bankası A.Ş. and its subsidiaries	10,650	10,967	4,544	4,683

NOTE 29 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Hedging operations and derivative instruments

Liquidity Risk

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

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

Interest Rate Risk

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

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

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

Funding risk

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

Credit risk

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

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

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

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

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

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

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

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

June 30, 2024	Trade receivables			Derivative instruments
	Related parties	Third parties	Bank deposits	
Maximum exposed credit risk as of reporting date ⁽¹⁾	882,363	103,432,039	43,101,449	412,840
Secured portion of the maximum credit risk by guarantees, etc, ⁽²⁾	-	(81,625,802)	-	-
A, Net book value of financial asset either are not due or not impaired	882,363	99,829,828	43,101,449	412,840
-Secured portion by guarantees, etc,	-	(79,000,628)	-	-
B, Net book value of overdue but not impaired financial assets	-	3,619,353	-	-
- Secured portion by guarantees, etc,	-	(2,606,677)	-	-
C, Net book value of the impaired assets	-	18,497	-	-
- Overdue (Gross book value)	-	1,665,678	-	-
- Impairment (-)	-	(1,647,181)	-	-
- Secured portion of the net value by guarantees, etc,	-	(18,497)	-	-
D, Expected credit losses (-)	-	(35,639)	-	-
December 31, 2023	Trade receivables			Derivative instruments
	Related parties	Third parties	Bank deposits	
Maximum exposed credit risk as of reporting date ⁽¹⁾	718,037	82,298,430	59,252,542	565,470
Secured portion of the maximum credit risk by guarantees, etc, ⁽²⁾	-	(65,596,702)	-	-
A, Net book value of financial asset either are not due or not impaired	718,037	79,598,302	59,252,542	565,470
-Secured portion by guarantees, etc,	-	(63,736,248)	-	-
B, Net book value of overdue but not impaired financial assets	-	2,726,213	-	-
- Secured portion by guarantees, etc,	-	(1,851,334)	-	-
C, Net book value of the impaired assets	-	9,120	-	-
- Overdue (Gross book value)	-	917,214	-	-
- Impairment (-)	-	(908,094)	-	-
- Secured portion of the net value by guarantees, etc,	-	(9,120)	-	-
D, Expected credit losses (-)	-	(35,205)	-	-

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

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

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

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

	June 30, 2024	December 31, 2023
Group 1	2,775,743	1,162,298
Group 2	94,655,212	78,448,151
Group 3	3,281,236	705,890
	100,712,191	80,316,339

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

	June 30, 2024	December 31, 2023
0-1 month	2,515,533	1,575,416
1-3 months	326,333	478,891
3-12 months	469,184	351,315
1-5 years	308,303	320,591
	3,619,353	2,726,213

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 June 30, 2024 is as follows;

June 30, 2024	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected loss rate (%)	0.005	0.12	0.27	1.21	
Gross carrying amount (*)	102,563,357	1,128,538	1,868,357	2,288,136	107,848,388
Expected credit lose	(5,013)	(1,385)	(1,595)	(27,646)	(35,639)

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

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

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

December 31, 2023	Undue	Overdue 0-1 month	Overdue 1-3 months	Overdue more than 3 months	Total
Expected credit loss rate (%)	0.003	0.10	0.13	1.71	
Gross carrying amount (*)	81,127,595	438,014	1,406,894	1,798,519	84,771,022
Expected credit loss	(2,044)	(454)	(1,922)	(30,785)	(35,205)

(*) 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 June 30, 2024, a portion of bank borrowings amounting to EUR 210,000,000 and contingent liabilities RUB 9,787,949,008 (before tax) was designated as a net investment hedging instrument (December 31, 2023: EUR 210,000,000 and RUB 11,853,246,108 respectively).

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

Foreign currency position

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

	June 30, 2024	December 31, 2023
Assets	68,812,546	82,919,811
Liabilities	(119,603,438)	(119,658,851)
Net position of financial statement	(50,790,892)	(36,739,040)
Net position of derivative instruments	23,755,306	27,309,235
Foreign currency position (net)	(27,035,586)	(9,429,805)

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).

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

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

	EUR	USD	GBP	RUB	CNY	PLN	JPY	SGD	VND	Other Currency's TRY Equivalent	TRY Equivalent
Current Assets											
Trade receivables	393,812	378,729	51,643	3,175,260	281,178	103,185	2,008,795	3,956	1,167	1,316,064	33,544,690
Monetary financial assets	383,225	224,862	5,442	-	32,892	41,046	1,606,159	3,020	-	107,082	22,058,912
Other	13,030	46,459	13,905	-	-	117,765	-	1,522	-	269,938	3,826,212
Non Current Assets											
Trade receivables	163,662	85,933	19,613	-	-	-	-	-	-	-	9,382,732
Toplam Varlıklar	953,729	735,983	90,603	3,175,260	314,070	261,996	3,614,954	8,498	1,167	1,693,084	68,812,546
Current Liabilities											
Trade payables	501,671	793,861	3,307	44,428	262,407	150,513	225,422	1,569	-	853,895	47,180,795
Financial liabilities	389,873	215,813	-	-	18,113	-	-	-	-	-	20,861,327
Other monetary liabilities	15,855	14,709	39,975	9,787,949	-	206,021	4,839	467	-	1,212,471	9,338,721
Non-Current Liabilities											
Trade payables	27,500	2,356	-	-	-	-	-	-	-	-	1,043,370
Financial liabilities	657,420	550,899	-	-	-	-	-	-	-	-	41,178,034
Other monetary liabilities	-	4	-	-	-	-	5,226	-	-	-	1,191
Total Liabilities	1,592,319	1,577,642	43,282	9,832,377	280,520	356,534	235,487	2,036	-	2,066,366	119,603,438
Net Position of Financial Statement	(638,590)	(841,659)	47,321	(6,657,117)	33,550	(94,538)	3,379,467	6,462	1,167	(373,282)	(50,790,892)
Off-balance sheet											
derivative assets (*)	766,726	749,229	13,000	9,787,949	-	-	-	-	-	202,151	56,006,553
Off-balance sheet											
derivative liabilities (*)	(582,458)	(145,350)	(60,500)	(1,450,000)	(360,500)	(45,000)	(2,540,000)	(7,893)	-	(1,263,032)	(32,251,247)
Net position of											
off-balance sheet items	184,268	603,879	(47,500)	8,337,949	(360,500)	(45,000)	(2,540,000)	(7,893)	-	(1,060,881)	23,755,306
Net Asset/(Liability) Position of Foreign Currency	(454,322)	(237,780)	(179)	1,680,832	(326,950)	(139,538)	839,467	(1,431)	1,167	(1,434,163)	(27,035,586)
Net Asset/(Liability) Position of Foreign											
Currency Monetary Items	(638,590)	(841,659)	47,321	(6,657,117)	33,550	(94,538)	3,379,467	6,462	1,167	(373,282)	(50,790,892)
Hedged Amount of Foreign Currency Assets	582,458	145,350	60,500	1,450,000	360,500	45,000	2,540,000	7,893	-	1,263,032	32,251,247
Hedged Amount of Foreign Currency											
Liabilities	766,726	749,229	13,000	9,787,949	-	-	-	-	-	202,151	56,006,553

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

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

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

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

December 31, 2023

	EUR	USD	GBP	RUB	CNY	PLN	JPY	SGD	VND	Other Currency's TRY Equivalent	TRY Equivalent (**)
Current Assets											
Trade receivables	532,866	530,829	63,781	1,722,728	444,712	69,455	1,367,544	6,340	1,456	1,125,897	39,840,227
Monetary financial assets	640,879	657,627	156	-	8,721	568	1,976,418	3,681	-	70,681	40,844,260
Other	3,385	57,518	-	-	-	-	-	2,500	-	10,545	1,869,866
Non Current Assets											
Trade receivables	1,390	10,877	-	-	-	-	-	-	-	-	365,458
Toplam Varlıklar	1,178,520	1,256,851	63,937	1,722,728	453,433	70,023	3,343,962	12,521	1,456	1,207,123	82,919,811
Current Liabilities											
Trade payables	482,809	736,262	6,509	25,587	307,896	-	186,751	3,090	-	255,789	39,285,685
Financial liabilities	784,138	100,213	-	-	4,122	-	-	596	-	-	28,522,821
Other monetary liabilities	4,147	6,657	1	14,785,097	-	-	12,476	1,062	-	-	5,179,000
Non-Current Liabilities											
Trade payables	-	1,982	-	-	-	-	-	-	-	-	58,347
Financial liabilities	810,979	686,040	-	-	-	-	-	-	-	-	46,612,549
Other monetary liabilities	-	15	-	-	-	-	-	-	-	-	449
Total Liabilities	2,082,073	1,531,169	6,510	14,810,684	312,018	-	199,227	4,748	-	255,789	119,658,851
Net Position of Financial Statement	(903,553)	(274,318)	57,427	(13,087,956)	141,415	70,023	3,144,735	7,773	1,456	951,334	(36,739,040)
Off-balance sheet											
derivative assets (*)	956,372	934,548	16,215	14,785,097	-	-	-	-	-	232,492	64,325,377
Off-balance sheet											
derivative liabilities (*)	(726,527)	(181,302)	(75,464)	(1,808,651)	(449,668)	(56,131)	(3,168,258)	(9,845)	-	(1,445,389)	(37,016,142)
Net position of											
off-balance sheet items	229,845	753,246	(59,249)	12,976,445	(449,668)	(56,131)	(3,168,258)	(9,845)	-	(1,212,897)	27,309,235
Net Asset/(Liability) Position of Foreign Currency	(673,708)	478,928	(1,822)	(111,510)	(308,253)	13,892	(23,523)	(2,072)	1,456	(261,563)	(9,429,805)
Net Asset/(Liability) Position of Foreign											
Currency Monetary Items	(903,553)	(274,318)	57,427	(13,087,956)	141,415	70,023	3,144,735	7,773	1,456	951,334	(36,739,040)
Hedged Amount of Foreign Currency Assets	726,527	181,302	75,464	1,808,651	449,668	56,131	3,168,258	9,845	-	1,445,389	37,016,142
Hedged Amount of Foreign Currency											
Liabilities	956,372	934,548	16,215	14,785,097	-	-	-	-	-	232,492	64,325,377

(*) 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 June 30, 2024.

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

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

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

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
June 30, 2024				
USD net asset/liability	(2,762,846)	2,762,846	(2,316,883)	2,316,883
Secured portion from USD risk	1,982,305	(1,982,305)	1,982,305	(1,982,305)
USD Net effect	(780,541)	780,541	(334,578)	334,578
EUR net asset/liability	(1,505,569)	1,505,569	(204,760)	204,760
Secured portion from EUR risk	(90,392)	90,392	647,304	(647,304)
EUR Net effect	(1,595,961)	1,595,961	442,544	(442,544)
GBP net asset/liability	196,082	(196,082)	217,458	(217,458)
Secured portion from GBP risk	(196,823)	196,823	(196,823)	196,823
GBP Net effect	(741)	741	20,635	(20,635)
JPY net asset/liability	68,839	(68,839)	68,839	(68,839)
Secured portion from JPY risk	(51,740)	51,740	(51,740)	51,740
JPY Net effect	17,099	(17,099)	17,099	(17,099)
PLN net asset/liability	(77,100)	77,100	(67,508)	67,508
Secured portion from PLN risk	(36,700)	36,700	(36,700)	36,700
PLN Net effect	(113,800)	113,800	(104,208)	104,208
RUB net asset/liability	119,551	(119,551)	762,734	(762,734)
Secured portion from RUB risk	(55,368)	55,368	318,385	(318,385)
RUB Net effect	64,183	(64,183)	1,081,119	(1,081,119)
VND net asset/liability	-	-	(49,699)	49,699
Secured portion from VND risk	-	-	-	-
VND Net effect	-	-	(49,699)	49,699
CNY net asset/liability	15,076	(15,076)	(9,562)	9,562
Secured portion from CNY risk	(161,991)	161,991	(161,991)	161,991
CNY Net effect	(146,915)	146,915	(171,553)	171,553
SGD net asset/liability	15,656	(15,656)	15,656	(15,656)
Secured portion from SGD risk	(19,122)	19,122	(19,122)	19,122
SGD Net effect	(3,466)	3,466	(3,466)	3,466
Other net asset/liability	(37,330)	37,330	1,648,660	(1,648,660)
Secured portion from other currency risk	(106,087)	106,087	(106,088)	106,088
Other Currency Net effect	(143,417)	143,417	1,542,572	(1,542,572)
	(2,703,559)	2,703,559	2,440,465	(2,440,465)

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

	Gain/Loss		Other Comprehensive Income	
	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%	Foreign exchange appreciation by 10%	Foreign exchange depreciation by 10%
December 31, 2023				
USD net asset/liability	(807,545)	807,545	(182,782)	182,782
Secured portion from USD risk	2,217,420	(2,217,420)	2,217,420	(2,217,420)
USD Net effect	1,409,875	(1,409,875)	2,034,638	(2,034,638)
EUR net asset/liability	(2,089,977)	2,089,977	(3,178,664)	3,178,664
Secured portion from EUR risk	(104,551)	104,551	748,698	(748,698)
EUR Net effect	(2,194,528)	2,194,528	(2,429,966)	2,429,966
GBP net asset/liability	215,015	(215,015)	251,242	(251,242)
Secured portion from GBP risk	(221,838)	221,838	(221,838)	221,838
GBP Net effect	(6,823)	6,823	29,404	(29,404)
JPY net asset/liability	65,242	(65,242)	65,242	(65,242)
Secured portion from JPY risk	(65,731)	65,731	(65,731)	65,731
JPY Net effect	(489)	489	(489)	489
PLN net asset/liability	52,648	(52,648)	70,524	(70,524)
Secured portion from PLN risk	(42,203)	42,203	(42,203)	42,203
PLN Net effect	10,445	(10,445)	28,321	(28,321)
RUB net asset/liability	55,345	(55,345)	708,310	(708,310)
Secured portion from RUB risk	(58,982)	58,982	423,175	(423,175)
RUB Net effect	(3,637)	3,637	1,131,485	(1,131,485)
VND net asset/liability	-	-	(49,679)	49,679
Secured portion from VND risk	-	-	-	-
VND Net effect	-	-	(49,679)	49,679
CNY net asset/liability	58,280	(58,280)	28,135	(28,135)
Secured portion from CNY risk	(185,317)	185,317	(185,317)	185,317
CNY Net effect	(127,037)	127,037	(157,182)	157,182
SGD net asset/liability	17,362	(17,362)	17,362	(17,362)
Secured portion from SGD risk	(21,991)	21,991	(21,991)	21,991
SGD Net effect	(4,629)	4,629	(4,629)	4,629
Other net asset/liability	95,134	(88,358)	2,018,780	(2,018,780)
Secured portion from other currency risk	(121,292)	114,516	(121,291)	121,291
Other Currency Net effect	(26,158)	26,158	1,897,489	(1,897,489)
	(942,981)	942,981	2,479,392	(2,479,392)

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

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

	June 30, 2024 TRY	June 30, 2023 TRY
Euro	18,930,162	19,958,686
US Dollar	7,219,668	7,491,264
British Pound	6,487,375	6,128,805
Other	5,990,686	6,549,149
Total exports	38,627,891	40,127,904
US Dollar	18,930,627	17,998,071
Euro	6,478,354	8,177,205
British Pound	51,630	26,491
Other	209,915	16,089
Total imports	25,670,526	26,217,856

NOTE 30 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

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

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

Financial Assets

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

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

Financial Liabilities

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

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

As of June 30, 2024, the carrying value and the fair value of the long-term borrowings, including the short-term portions, are equal to TRY 57,826,511 (December 31, 2023: TRY 59,323,549) (Note 7) and TRY 64,059,445 (December 31, 2023: TRY 67,901,323) respectively. Fair value is calculated by discounting the cash out flows regarding due dates of borrowings considering the changing country risk premium and changes in market interest rates.

Contingent consideration from acquisition transactions

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

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

Under the assumption of 1% increase/decrease in EBITDA growth rates as at June 30, 2024, all other variables held constant, the Group's contingent consideration liability would have been increased by TRY 337,250/decreased by TRY 510,572.

Fair value hierarchy table

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

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

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

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

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

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

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 8)	-	412,840	-
Financial investments (Note 6)	7,950	57,660	98,120
Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 8)	-	(1,399,219)	-
Other long term liabilities (Note 20)	-	-	3,737,510

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

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Derivative instruments (assets) (Note 8)	-	565,470	-
Financial investments (Note 6)	28,933	49,591	98,274
Financial liabilities carried at fair value in statement of financial position			
Derivative instruments (liabilities) (Note 8)	-	(1,129,945)	-
Other long term liabilities (Note 20)	-	-	4,821,568

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NOTE 31 - SUPPLEMENTARY CASH FLOW INFORMATION

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

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

	1 January- June 30, 2024	1 January- December 31, 2023
Adjustments for provisions:		
Quota- incentive pay accruals	1,983,035	3,528,617
Provision for assembly and transportation cost	1,462,988	1,980,517
Provision for employment termination benefits	295,696	369,004
Warranty provision	36,135	71,573
Unused vacation	(61,210)	199,845
Accrual for bonuses and premiums	(635,144)	(99,576)
Other provisions	(176,695)	(68,080)
	2,904,805	5,981,900
Adjustments for impairment loss:		
Provision for impairment on inventories	(174,403)	260,057
Provision for expected credit lose	31,515	95,370
	(142,888)	355,427

NOTE 32 - EVENTS AFTER BALANCE SHEET DATE

Following an analysis conducted as part of the efforts to realize the synergies targeted with the merger of Whirlpool Corporation and Arçelik's European operations, which was completed as of April 1, 2024, under Arçelik's control, it has been decided to close the dryer factory in the United Kingdom due to inefficiencies. As a mandatory first step in accordance with the relevant country regulations, employee consultations commenced on July 5, 2024, and the closure process is expected to be completed by the end of the year. Considering our company's dryer capacity, this facility closure is not expected to cause a loss of revenue at the consolidated level; however, one-time expenses that may arise due to the closure will be reflected in our financial statements to be disclosed to the public for the relevant periods once they are finalized.