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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS AT 1 JANUARY - 31 DECEMBER 2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Doğan Şirketler Grubu Holding A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

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

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

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

Key Audit Matters	**How the key audit matter was addressed in the audit**
Application of TAS 29, "Financial Reporting in Hyperinflationary Economies"	
As explained in Note 2, the TAS 29 "Financial Reporting in Hyperinflationary Economies" standard is applicable to the Group. TAS 29 requires that financial statements be readjusted based on current purchasing power at the end of the reporting date. Therefore, 2023 transactions and the non-monetary balances at the end of the period have been readjusted to reflect the up-to-date price index on the balance date of 31 December 2023. Applying TAS 29 changed the control practices of the Group, especially related to financial reporting. The impact of TAS 29 depends on several important estimations, including the readjustment of basic transactions related to relevant items in the cost of sales and cash flow statement on a quarterly average basis based on the level of fluctuation and inflation rate. Preparing financial statements using up-to-date purchasing power requires a series of complex procedures and transactions to ensure accurate results. Because of the estimations used, the complexity of calculation, and the risk of missing or inaccurate data in the readjustment, the application of TAS 29 is identified as a key audit matter.	- We achieved an understanding of the Group's current processes and policies, - We understood and evaluated the controls designed and applied by management in the application of TAS 29, - We checked whether management's differentiation of monetary and non-monetary items is in line with TFRS, - We obtained the details of the non-monetary items and tested the past costs and purchase dates with supporting documents, - We assessed whether the estimations used by management are reasonable by comparing them against known practices and evaluating based on our knowledge of the industry and our experience. We also checked whether estimations were used consistently in all periods, - By checking the methodology and price index rates, we assessed whether non-monetary item indexes, comprehensive income, equity movement, and cash flow statements were prepared considering TAS 29.

<table>
<tr><th>Key Audit Matters</th><th>How the key audit matter was addressed in the audit</th></tr>
<tr><td>Investment properties measured at fair value</td><td></td></tr>
<tr><td>
As explained in Note 14, as of 31 December 2023, the Group's investment properties, which have the carrying value of TRY5,454,079 thousand and represent a significant share of total assets, comprise of land and buildings.
The accounting method used by Group management for investment properties is the "fair value method", as described in Note 2.2. Fair value of these assets are determined by independent valuers licensed by the Capital Markets Board (the "CMB") and are recognised in the consolidated financial statements after being assessed by Group management. Fair values of investment properties depend on the valuation method used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property.
The reason for our focus on this area:

The quantitative importance of the investment properties on the consolidated financial statements,
When determining the fair values of the investment properties, methods such as the benchmarking analysis approach, cost approach and direct capitalisation approach are used, and these methods include variables that affect the fair values.

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Valuation reports prepared by the independent property valuers assigned by the Group were obtained and the property valuation accreditations and licences of these institutions granted by the Capital Markets Board are checked based on the Independent Audit Standards.
Deeds and ownership ratios of investment properties were tested on a sample basis.
We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, information of rentable area square meter and unit rent values, against observable market prices, and then tested whether the appraised values are within an acceptable range.
Inputs such as rental income, duration of lease agreements, occupancy rates and expenses, which are used in the valuation reports and have a significant impact on the real estate value, were tested.
The assumptions used by the appraisers in their valuations, whether the appraised values such as inflation and the real discount rate are within an acceptable range were evaluated together with our experts.
Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS.

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4. Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

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

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 8 May 2024.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 8 May 2024

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

ASSETS	Notes	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
Current Assets		**57,961,088**	**50,649,588**
Cash and cash equivalents	6	12,123,058	11,615,772
Financial investments	7	22,244,844	16,550,082
Trade receivables			
- Due from related parties	35	15,624	21,963
- Due from non-related parties	9	5,395,738	8,377,166
Receivables from finance sector operations			
- Due from related parties from finance sector operations	10, 35	36,302	1,346
- Due from non-related parties from finance sector operations	10	4,740,319	3,030,976
Balances with the Central Bank of the Republic of Turkey	6	153,736	63,050
Other receivables			
- Due from non-related parties	11	562,305	353,301
Inventories	12	8,090,564	7,725,141
Prepaid expenses	22	2,155,847	1,767,499
Derivative instruments	23	204,105	193,898
Assets arising from customer contracts			13,653
Biological assets	13	58,943	44,279
Assets related to current tax	33	93,614	11,725
Other current assets	21	2,086,089	879,737
Non-current assets		**35,456,635**	**33,155,978**
Trade receivables			
- Due from non-related parties	9	-	21,132
Other recevaibles			
- Due from non-related parties		48,129	-
Financial investments	7	1,870,301	1,513,368
Investments accounted for by the equity method	4	2,259,114	1,378,690
Investment properties	14	5,454,079	4,351,645
Property, plant and equipment	15	11,721,696	11,202,262
Intangible assets			
- Other intangible assets	16	9,413,994	9,674,612
- Goodwill	16	1,240,236	1,186,421
Rights of use assets	17	1,146,295	1,879,738
Prepaid expenses	22	1,172,286	647,890
Derivative instruments	23	110,078	116,692
Deferred tax asset	33	943,675	1,044,965
Other non-current assets	21	76,752	138,563
Total Assets		**93,417,723**	**83,805,566**

The consolidated financial statements as of and for the period ended 31 December 2023 have been approved by the Board of Directors on 8 May 2024.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

LIABILITIES	**Notes**	**Audited Current Period 31 December 2023**	**Audited Prior Period 31 December 2022**
Short-term liabilities		**28,780,309**	**24,909,607**
Short-term borrowings			
- Short-term borrowings from non-related part			
- Bank borrowings	8	11,159,521	11,224,511
- Issued debt instruments	8	2,756,631	1,995,220
Short-term portion of long- term borrowings			
- Short-term portion of long term borrowings from related parties			
- Lease borrowings	8, 35	15,701	29,316
- Short-term portion of long- term borrowings from non-related parties			
- Bank borrowings	8	1,467,594	1,855,664
- Lease borrowings	8	296,073	222,394
Other financial liabilities		390,492	-
Trade payables			
- Due to related parties	35	10,238	9,028
- Due to non-related parties	9	2,908,437	4,907,987
Payables from finance sector operations			
- Due to related parties from finance sector operations	35	-	97
- Due to non-related parties from finance sector operations	10	775,061	354,591
Payables related to Employee benefits	24	546,807	386,566
Deferred income (Except obligations arising from customer contracts)			
- Deferred income from related parties		87,107	-
- Deferred income from non-related parties (Except obligations arising from customer contracts)	22	571,398	814,924
Derivative instruments	23	53,008	16,458
Other payables			
- Due to non-related parties	11	618,479	269,842
Current income tax liability	33	105,997	362,879
Short-term provisions			
- Short-term provisions for employment benefits	24	265,395	157,286
- Other short-term provisions	19	6,699,528	2,296,527
Other short term liabilities		52,842	6,317
Long-term liabilities		**9,340,821**	**8,186,092**
Long-term borrowings			
- Long-term borrowings from related parties			
- Lease borrowings	8, 35	3,397	20,669
- Long -term borrowings from non-related parties			
- Bank borrowings	8	4,739,455	3,427,353
- Lease borrowings	8	449,715	849,217
Other payables			
- Due to non-related parties	11	23,753	157,704
Deferred income (Except obligations arising from customer contracts)			
- Deferred income from non-related parties (Except obligations arising from customer contracts)	22	98,976	56,136
Long-term provisions			
- Long-term provisions for employment benefits	24	514,392	533,057
- Other long term provisions		-	13,132
Derivative instruments	23	3,034	10,035
Deferred tax liability	33	3,508,099	3,118,789
EQUITY		**55,296,593**	**50,709,867**
Equity attributable to equity holders of the parent company		**48,426,811**	**41,258,107**
Share capital	25	2,616,996	2,616,938
Adjustments to share capital	25	32,850,286	32,850,279
Repurchased share (-)	25	(226,828)	(216,833)
Share premiums (discounts)	25	1,413,415	1,413,415
Other comprehensive income (losses) that will not be reclassified in profit or loss			
- Actuarial gains (losses) on defined benefit plans	25	(127,137)	(90,854)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		(10,407)	(4,665)
Other comprehensive income (losses) that will be reclassified in profit or loss			
- Change in currency translation reserves	25	13,369,445	6,071,106
- Gain (loss) on revaluation and reclassification of financial assets held for sale	25	(179,315)	(509,402)
Restricted reserves	25	9,265,539	8,121,309
Retained earnings or accumulated losses		(10,841,777)	(9,225,311)
Net profit or loss for the period		296,594	232,125
Non-controlling interests		**6,869,782**	**9,451,760**
Total liabilities		**93,417,723**	**83,805,566**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	Audited Current Period 1 January - 31 December 2023	Audited Prior Period 1 January - 31 December 2022
Profit or Loss			
Revenue	26	42,245,216	25,944,510
Revenue From Finance Sector Operations	26	10,320,232	3,661,493
Total Revenue	**26**	**52,565,448**	**29,606,003**
Cost of Sales (-)	26	(34,349,594)	(21,762,546)
Cost of Finance Sector Operations (-)	26	(8,632,055)	(2,930,842)
Total Costs	**26**	**(42,981,649)**	**(24,693,388)**
Gross Profit (Loss) (Non-Finance)	26	7,895,622	4,181,964
Gross Profit (Loss) (Finance)	26	1,688,177	730,651
Gross Profit (Loss)	**26**	**9,583,799**	**4,912,615**
Research and Development Expenses (-)	27	(238,803)	(119,933)
General Administrative Expenses (-)	27	(2,146,945)	(1,556,281)
Marketing Expenses (-)	27	(2,947,658)	(1,876,907)
Other Income From Operating Activities	29	7,127,597	4,799,181
Other Expenses From Operating Activities (-)	29	(668,778)	(1,069,659)
Share of Gain (Loss) on Investments Accounted for by the Equity Method	4	795,647	369,032
Operating Profit/(Loss)		**11,504,859**	**5,458,048**
Income from Investment Activities	30	7,919,978	3,777,108
Expenses from Investment Activities (-)	30	(195,821)	(543,072)
Operating Profit (Loss) Before Finance (Expense)/Income		**19,229,016**	**8,692,084**
Finance Income	31	123,098	875,474
Finance Expenses (-)	31	(4,654,376)	(4,393,360)
Net monetary loss/(gain)		(12,467,874)	(5,462,676)
Profit (Loss) Before Taxation From Continued Operations		**2,229,864**	**(288,478)**
Continuing Operations Tax Income/(Expense)	33	**(1,478,942)**	**(539,659)**
Tax Income/(Expense) for the Period		(1,773,786)	(919,792)
Deferred Tax Income/(Expense)		294,844	380,133
Period Profit/(Loss) from Continuing Activities		**750,922**	**(828,137)**
Period Profit/(Loss) from Discontinued Operations		**(734,805)**	**2,121,791**
Profit/(Loss) For The Period		**16,117**	**1,293,654**
Allocation of Profit/(Loss) For The Period			
Attributable to Non-Controlling Interests		(280,477)	1,061,529
Attributable to Equity Holders of the Parent Company		296,594	232,125
Gain/(Loss) Per Share Attributable to Equity Holders of the Parent Company	34	0.1145	0.0896

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	Audited Current Period 1 January - 31 December 2023	Audited Prior Period 1 January - 31 December 2022
Profit/(Loss) For The Period		**16,117**	**1,293,654**
OTHER COMPREHENSIVE INCOME			
That will not be reclassified as profit or loss			
Defined benefit plans re-measurement gains/(losses)	24	109,515	(163,729)
Defined benefit plans re-measurement gains/(losses) of investments valued by equity method		-	
Taxes on other comprehensive income that will not be reclassified in profit or loss			
- *Tax effect of actuarial gains (losses) on defined benefit plans*		*(27,379)*	*32,746*
That will be reclassified as profit or loss			
Currency translation differences		7,315,580	966,101
Gain/(loss) on revaluation and/or reclassification of financial assets available for sale	7	436,205	(342,025)
Other comprehensive income (loss) related with cash flow hedges			
Taxes related to other comprehensive income that will be reclassified as profit or loss			
- *Tax effect on revaluation and/or reclassification of financial assets available for sale*		*(106,118)*	*68,405*
OTHER COMPREHENSIVE INCOME/(LOSS)		**7,727,803**	**561,498**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**7,743,920**	**1,855,152**
Allocation of Total Comprehensive Income/(Loss)			
Attributable to Non-Controlling Interests		(139,075)	1,513,302
Attributable to Equity Holders of the Parent Company		7,882,995	341,850

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

					Accumulated other comprehensive income or loss that will not be reclassified to profit or loss			Accumulated other comprehensive income or loss that will be reclassified to profit or loss				Retained earnings				
	Notes	**Share Capital**	**Adjustments to share capital**	**Repurchased shares**	**Actuarial gains/(losses) on defined benefit plans**	**Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method**	**Shares premiums/ discounts**	**Gain/(loss) on revaluation and/or reclassification of financial assets available for sale**	**Currency translation differences**	**Restricted reserves**	**Dividend advances paid, net**	**Retained earnings/ accumulated (losses)**	**Net profit/ (loss) for the period**	**Equity attributable to equity holders of the parent company**	**Non controlling interest**	**Equity**
Balance at 1 January 2023	**25**	**2,616,938**	**32,850,279**	**(216,833)**	**(4,665)**	**(90,854)**	**1,413,415**	**(509,402)**	**6,071,106**	**8,121,309**	**-**	**(9,225,311)**	**232,125**	**41,258,107**	**9,451,760**	**50,709,867**
Transfers		-	-	-	-	-	-	-	-	1,144,230	-	(912,105)	(232,125)	-	-	-
Acquisition or disposal of a subsidiary (Note 3,32)		-	-	-	-	-	-	-	-	-	-	-	-	-	(2,311,401)	(2,311,401)
Dividend payments of subsidiaries outside the group		-	-	-	-	-	-	-	-	-	-	-	-	-	(149,656)	(149,656)
Dividends		-	-	-	-	-	-	-	-	-	-	(704,361)	-	(704,361)	-	(704,361)
Dividend advances paid, net		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase		58	7	-	-	-	-	-	-	-	-	-	-	65	319,265	319,330
Transactions with non-controlling interest shareholders (*)		-	-	-	-	-	-	-	-	-	-	-	-	-	(301,111)	(301,111)
Increase/(decrease) due to share repurchase transactions		-	-	(9,995)	-	-	-	-	-	-	-	-	-	(9,995)	-	(9,995)
Increase/(decrease) due to repurchase transactions does not result in loss of control in subsidiaries increase/(decrease) due to share rate changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)		**-**	**-**	**-**	**(5,742)**	**(36,283)**	**-**	**330,087**	**7,298,339**	**-**	**-**	**-**	**296,594**	**7,882,995**	**(139,075)**	**7,743,920**
Profit/(loss) for the period		-	-	-	-	-	-	-	-	-	-	-	296,594	296,594	(280,477)	16,117
Currency translation differences		-	-	-	-	-	-	-	*7,298,339*	-	-	-	-	*7,298,339*	*17,241*	*7,315,580*
Defined benefit plans re-measurement gains/(losses)		-	-	-	*(5,742)*	*(36,283)*	-	-	-	-	-	-	-	*(42,025)*	*124,161*	*82,136*
Change in financial asset revaluation fund		-	-	-	-	-	-	*330,087*	-	-	-	-	-	*330,087*	-	*330,087*
Balance at 31 December 2023	**25**	**2,616,996**	**32,850,286**	**(226,828)**	**(10,407)**	**(127,137)**	**1,413,415**	**(179,315)**	**13,369,445**	**9,265,539**	**-**	**(10,841,777)**	**296,594**	**48,426,811**	**6,869,782**	**55,296,593**

(*) Details explained in note 25.

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

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

					Accumulated other comprehensive income or loss that will not be reclassified to profit or loss			Accumulated other comprehensive income or loss that will be reclassified to profit or loss			Retained earnings				
	Notes	**Share Capital**	**Adjustments to share capital**	**Repurchased shares**	**Actuarial gains/(losses) on defined benefit plans**	**Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method**	**Share premiums/ discounts**	**Gain/(loss) on revaluation and/or reclassification of financial assets available for sale**	**Currency translation differences**	**Restricted reserves**	**Retained earnings/ accumulated (losses)**	**Net profit/ (loss) for the period**	**Equity attributable to equity holders of the parent company**	**Non-controlling interest**	**Equity**
Balance at 1 January 2022	**25**	**2,616,938**	**32,850,279**	**(216,833)**	**-**	**-**	**1,413,415**	**(235,782)**	**5,592,242**	**6,083,630**	**(6,588,787)**	**-**	**41,515,102**	**5,578,654**	**47,093,756**
Transfers		-	-	-	-	-	-	-	-	2,037,679	(2,037,679)	-	-	-	-
Dividend payments of subsidiaries outside the group		-	-	-	-	-	-	-	-	-	-	-	-	(231,800)	(231,800)
Acquisition or disposal of a subsidiary (Note 3)		-	-	-	-	-	-	-	-	-	-	-	-	2,590,897	2,590,897
Dividends		-	-	-	-	-	-	-	-	-	(1,206,808)	-	(1,206,808)	-	(1,206,808)
Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	707	707
Transactions with non-controlling interest shareholders (*)		-	-	-	-	-	-	-	-	-	607,963	-	607,963	-	607,963
Increase (decrease) due to share repurchase transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) due to repurchase transactions does not result in loss of control in subsidiaries increase/decrease due to share rate changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)		**-**	**-**	**-**	**(90,854)**	**(4,665)**	**-**	**(273,620)**	**478,864**	**-**	**-**	**232,125**	**341,850**	**1,513,302**	**1,855,152**
Profit/(loss) for the period		-	-	-	-	-	-	-	-	-	-	232,125	232,125	*1,061,529*	*1,293,654*
Other comprehensive income/(loss)		-	-	-	***(90,854)***	***(4,665)***	-	***(273,620)***	***478,864***	-	-	-	***109,725***	***451,773***	***561,498***
Effect of change in subsidiary ownership ratio		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation differences		-	-	-	-	-	-	-	*478,864*	-	-	-	*478,864*	*487,237*	*966,101*
Defined benefit plans re-measurement gains/(losses)		-	-	-	*(90,854)*	*(4,665)*	-	-	-	-	-	-	*(95,519)*	*(35,464)*	*(130,983)*
Change in financial asset revaluation fund		-	-	-	-	-	-	*(273,620)*	-	-	-	-	*(273,620)*	-	*(273,620)*
Balance at 31 December 2022	**25**	**2,616,938**	**32,850,279**	**(216,833)**	**(90,854)**	**(4,665)**	**1,413,415**	**(509,402)**	**6,071,106**	**8,121,309**	**(9,225,311)**	**232,125**	**41,258,107**	**9,451,760**	**50,709,867**

(*) Details explained in note 25.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	Audited Current Period 1 January - 31 December 2023	Audited Prior Period 1 January - 31 December 2022
A. Net Cash From Operating Activities		**(3,792,815)**	**(3,234,680)**
Profit/(loss) for the period		16,117	1,293,654
Adjustments regarding reconciliation of net profit (loss) for the period		**(334,059)**	**(1,447,396)**
Adjustments related to depreciation and amortization	12,15,16,17	3,939,897	2,130,083
Adjustments related to provisions			
- Adjustments related to provisions for (reversal of) employee benefits	*24*	*241,930*	*2,378,756*
- Insurance technical provisions	*19*	*4,399,369*	*-*
- Adjustments related to provisions (reversal) for lawsuits and/or penalty		*(5,311)*	*3,352*
- Adjustments related to other provisions (reversals)		*(100,396)*	*(25,958)*
Adjustments related to interest (income) and expenses			
- Adjustments related to interest income	*29,30*	*(2,420,996)*	*(1,499,383)*
- Adjustments related to interest expenses	*31*	*2,122,451*	*2,235,250*
- Deferred financial expense due to purchases with maturity	*29*	*63,735*	*1,227*
- Unrealized financial income due from sales with maturity	*29*	*(33,616)*	*(37,308)*
Adjustments related to changes in unrealized foreign exchange differences		5,654,389	(811,664)
Adjustments related to fair value (gains) losses		(1,986,534)	(2,594,237)
Adjustments related to losses (gains) on disposal of non-current assets	30	(432,926)	487,737
Adjustments related to undistributed profits of investments accounted for by the equity method	4	(795,647)	(369,032)
Adjustments related to tax income (expense)	33	1,478,942	541,521
Adjustments related to losses (gains) on disposal of subsidiaries, joint ventures or financial investments	30	-	(680,970)
Monetary profit /loss		(12,459,346)	(3,206,770)
Changes in working capital		**(3,730,564)**	**(2,451,107)**
Decrease/(increase) in the balances with the Central Bank of the Republic of Turkey		(90,686)	289,581
Decrease/(increase) in receivables from finance sector operations		(1,744,396)	264,174
Adjustments for decrease/(increase) in inventories		(1,703,603)	128,527
Adjustments for decrease/(increase) in trade receivables			
- (Increase)/decrease in trade receivables from related parties		*6,339*	*(31,256)*
- (Increase)/decrease in trade receivables from non-related parties		*3,159,403*	*(1,328,041)*
Increase (decrease) in payables due to employee benefits		188,103	166,483
Adjustments regarding decrease/(increase) in other receivables on operations			
- Increase)/decrease in other receivables regarding operations with related parties)		*(48,129)*	*(298)*
- (Increase)/decrease in other receivables regarding operations with non-related parties		*(216,276)*	*(148,606)*
Adjustments regarding increase/(decrease) in trade payables			
- Increase/(decrease) in trade payables to related parties		*1,210*	*42,426*
- Increase/(decrease) in trade payables to non-related parties		*933,795*	*(881,980)*
Decrease (increase) in payables from finance sector operations		420,470	333,186
Adjustments regarding increase/(decrease) in other payables from operations			
- Increase/(decrease) in other payables to related parties		*-*	*(73,371)*
- Increase/(decrease) in other payables to non-related parties		*462,764*	*168,213*
Adjustments for other increase/ (decrease) in working capital			
- (Increase)/decrease in other assets		*(5,032,659)*	*(1,479,259)*
- Increase/(decrease) in other liabilities		*(66,899)*	*99,114*
Net Cash From Operating Activities		**(4,048,506)**	**(2,604,849)**
Employee termination benefits paid	24	(115,982)	(21,287)
Income tax refunds/(payments)	33	(1,973,550)	(1,687,420)
Interest received		2,345,223	1,078,876

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

	Notes	Audited Current Period 1 January - 31 December 2023	Audited Prior Period 1 January - 31 December 2022
B. Net Cash From Investing Activities		**(7,680,281)**	**(6,641,901)**
Cash outflows regarding capital increase and/or share purchase of associates and/or joint ventures	3	319,265	(1,559,957)
Cash inflow due to sale of property, plant, equipment and intangible assets		1,021,918	(59,780)
Cash outflows from purchase of property, plant, equipment and intangible assets	15, 16	(5,284,065)	(1,878,218)
Cash inflows from the sale of investment property		-	3,055,153
Cash outflow due to sale of investment properties		-	(540,572)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments	7	(13,093,383)	(12,283,558)
Cash inflows from the sale of shares or borrowing instruments of other enterprises or funds	7	5,955,615	5,148,133
Cash inflows from sales that do not result in loss of control of subsidiaries		-	607,962
Cash inflows from sales resulting in loss of control of subsidiaries		3,891,285	1,183,455
Bağlı ortaklıkların grup dışına temettü ödemeleri		(149,656)	(231,800)
Cash outflows related to purchases to obtain control of subsidiaries		(259,096)	-
Other cash inflows/(outflows)		(82,164)	(82,719)
C. Net Cash from Financing Activities		**6,277,046**	**5,216,335**
Proceeds from borrowings			
Cash inflows from borrowings	*8*	*7,976,700*	*7,614,086*
Cash inflows from issued debt instruments	*8*	*(301,111)*	*2,333*
Cash outflows on debt payments due to lease borrowings	8	(320,133)	(378,218)
Interest paid		(364,054)	(815,058)
Dividends paid		(704,361)	(1,206,808)
Cash outflows from the purchase of the company's own shares and other equity instruments			
Cash outflows resulting from the business purchasing its own shares	*25*	*(9,995)*	*-*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)		**(5,196,050)**	**(4,660,246)**
D. EFFECT OF MONETARY LOSS/GAIN ON CASH AND CASH EQUIVALENTS		**4,566,208**	**2,403,437**
E. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS		**1,137,536**	**1,295,656**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**507,694**	**(961,153)**
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**6**	**11,592,527**	**12,553,680**
G. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**6**	**12,100,221**	**11,592,527**

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

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding", "Holding" or the "Group") was established on 22 September 1980 and is registered in Turkey. Main operating activity of the Holding is to invest in various sectors via associates, to provide all necessary support to its subsidiaries and joint ventures in order to develop their activities.

Doğan Holding is registered with the Capital Markets Board ("CMB") and its shares have been quoted on Borsa İstanbul ("Borsa İstanbul") since 21 June 1993. Within the frame of Resolution No, 21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency ("CRA"), 35.7% shares of Doğan Holding are to be considered in circulation as of 31 December 2023 (31 December 2022: 35.79%). As of 7 May 2023, circulation rate of shares are 35.71%.

The address of Holding is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65
Üsküdar 34676 İstanbul

As of 31 December 2023, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 7,935 (domestic 7,540) (31 December 2022: 8,096; domestic 7,717). Holding has 53 employees (31 December 2022: 55 employees).

The natures of the business, segment and countries of the subsidiaries ("Subsidiaries") and joint ventures ("Joint Ventures") of Doğan Holding are as follows:

Electricity Generation

Subsidiaries	Nature of business	Country
Galata Wind Enerji A.Ş. ("Galata Wind")	Energy	Turkey
Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A. Ş. ("Sunflower")	Energy	Turkey
Gökova Elektrik Üretim ve Ticaret A.Ş.("Gökova Elektrik")	Energy	Turkey
Galata Wind Energy Global B.V. ("Galata Wind Global") (1)	Energy	Holland

Joint Ventures	Nature of business	Country
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Energy	Turkey
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Energy	Turkey

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Industry and Trade

Subsidiaries	Nature of business	Country
Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")	Production	Turkey
Profil Sanayi ve Ticaret A.Ş.("Profil Sanayi")	Production	Turkey
Profilsan GmbH ("Profilsan GmbH")	Foreign Trade	Germany
Doğan Dış Ticaret ve Mümessillik A.Ş. ("Doğan Dış Ticaret")	Foreign Trade	Turkey
Kelkit Doğan Besi İşletmeleri A.Ş. ("Kelkit Doğan Besi")	Husbandry	Turkey
Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. ("Sesa Ambalaj")	Production	Turkey
Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş. ("Sesa Yatırım")	Production	Turkey
Maksipak Ambalaj Sanayi ve Ticaret A.Ş. ("Maksipak")	Production	Turkey
Karel Elektronik San. ve Tic. A.Ş. ("Karel")	Technology and Informatics	Turkey
Daiichi Elektronik Sanayi ve Ticaret A.Ş. ("Daiichi")	Automotive Electronics	Turkey
Telesis Telekomünikasyon Sistemleri San. ve Tic. A.Ş. ("Telesis")	Corporate Communication Solutions	Turkey
Karel İletişim Hizmetleri A.Ş. ("Karel İletişim")	Telecommunications Services	Turkey
Karel Europe S.R.L. ("Karel Europe") (2)	Telecommunications Services	Romania
Globalpbx İletişim Teknolojileri A.Ş. ("Globalpbx") (3)	Telecommunications Services	Turkey
Huizhou Daiichi Electroacoustic Technology Co., Ltd. ("Huizhou")	Automotive Infotainment Systems	China
FC Daiichi Auto Parts Uzbekistan ("FC Daiichi")	Automotive Infotainment Systems	Uzbekistan
Daiichi Electronics Italy S.r.l ("Daiichi Electronics")	Automotive Infotainment Systems	Italy
Daiichi Infotainment Systems Private Ltd. ("Daiichi Infotainment")	Automotive Infotainment Systems	India
Suqian Daiichi Infotainment Technology Co.,Ltd. ("Suqian Daiichi")	Automotive Infotainment Systems	China
Daiichi Multimedia Trading(Shenzhen)Co., Ltd.("Daiichi Multimedia")	Automotive Infotainment Systems	China
Foshan Daiichi Multimedia Technology Co., Ltd. ("Foshan Daiichi")	Automotive Infotainment Systems	China

Automotive Trade and Marketing

Subsidiaries	Nature of business	Country
Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki")	Trade	Turkey
Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş. ("Doğan Trend Otomotiv")	Trade	Turkey
Otomobilite Motorlu Araçlar Ticaret Hiz. A.Ş. ("Otomobilite Motorlu Araçlar")	Trade	Turkey

Finance and Investment

Subsidiaries	Nature of business	Country
Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü Girişim")	Investment	Turkey
D Yatırım Bankası A.Ş. ("D Yatırım Bankası")	Investment banking	Turkey
Doruk Faktoring A.Ş. ("Doruk Faktoring")	Factoring	Turkey
DHI Investment B.V. ("DHI Investment")	Investment	Holland
Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. ("Değer Merkezi")	Administrative consultancy	Turkey
Hepiyi Sigorta A.Ş ("Hepiyi Sigorta")	Insurance	Turkey
Falcon Purchasing Services Ltd. ("Falcon")	Investment	England

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Internet and Entertainment

Subsidaries	Nature of business	Country
Dogan Media International S.A. ("Kanal D Romanya")	TV publishing	Romania
Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Rapsodi Radyo")	Radyo publishing	Turkey
Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Glokal")	Internet services	Turkey
DMC Invest B.V. ("DMC Invest")	Investment	Holland
Dogan Media Invest B.V. ("Dogan Media Invest")	Investment	Holland
Glocal Invest B.V. ("Glocal Invest")	Investment	Holland
DG Invest B.V. ("DG Invest")	Investment	Holland
Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Yayıncılık")	Magazine publishing	Turkey
360 Sağlık ve Turizm Hizmetleri A.Ş.("Tele Sağlık")(4)	Healthcare	Turkey

Joint Ventures	Nature of business	Country
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Magazine publishing	Turkey
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	Planning	Turkey
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	Telecommunication	Turkey
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik")	Internet services	Turkey
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Music and entertainment	Turkey

Real Estate Investments

Subsidiaries	Nature of business	Country
D Gayrimenkul Yatırımları ve Ticaret A.Ş. ("D Gayrimenkul")	Real estate management	Turkey
SC D-Yapı Real Estate, Investment and Construction S.A. ("D Yapı Romanya")	Real estate management	Romania
Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")	Real estate management	Turkey
Marlin Otelcilik ve Turizm A.Ş. ("Marlin Otelcilik")	Real estate management	Turkey
M Investment 1 LLC ("M Investment")	Real estate management	USA

Joint Venture	Nature of business	Country
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul")	Real estate management	Turkey

Petroleum Products Retail

Joint Ventures	Nature of business	Country
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Energy	Jersey

(1) Galata Wind, one of our subsidiaries, established Galata Wind Energy Global BV, located in the Netherlands, on 25 July 2023.
(2) Karel, one of our subsidiaries, established Karel Europe SRL in Bucharest, Romania, on 4 October 2023.
(3) Karel has acquired GLOBALPBX İletişim Teknolojileri A.Ş. with the transactions made on 16 October 2023 and 20 October 2023. ("Globalpbx") acquired 61,112 shares, corresponding to 55% of its capital, for a total of USD625,000, through partial purchase and partial capital participation, and Globalpbx became a subsidiary of Karel.
(4) The transactions regarding the establishment of the relevant company were registered on 4 September 2023.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Preparation and Presentation of Financial Statements

Adopted Financial Reporting Standarts

The accompanying consolidated financial statements are prepared in accordance with 2022 TAS Taxonomy based on the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets" and Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"), which was developed by POA and announced to the public by the decision of the POA on 4 October 2022 in accordance with paragraph 9(b) of Decree Law No. 660.

The Group maintains their legal books of accounts in Turkish Lira in accordance with the Tax Legislation, and the Uniform Chart of Accounts (General Communiqué on Accounting System Implementation) issued by the Ministry of Finance.

These consolidated financial statements, except for the financial assets and investment properties that are presented at fair value, are prepared on the basis of historical cost.

Adjustment of Financial Statements in Periods of High Inflation

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 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 31 December 2022, on the purchasing power basis as of 31 December 2023.

Pursuant to the decision of the Capital Markets Board (SPK) dated 28 December 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 31 December 2023.

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 31 December 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

2.1.1 Financial statements of subsidiaries and joint ventures operating in foreign countries (Continued)

Adjustment of Financial Statements in Periods of High Inflation (Continued)

As of 31 December 2023, the indices and conversion factor used in the correction of financial statements are as follows:

Year end	Index	Conversion Factor	Three Year Compound Inflation Rate
31 December 2023	1,859.38	1.00000	268%
31 December 2022	1,128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

The main elements of the Group's adjustment for financial reporting purposes in high-inflation economies are as follows:

- The current period consolidated financial statements prepared in TRY are expressed with the purchasing power at the balance sheet date, and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.

- Monetary assets and liabilities are not adjusted as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 were applied, respectively.

- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficients.

- All items in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet, are indexed with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.

- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position loss account in the income statement.

2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries

Financial statements of subsidiaries and joint ventures operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group's accounting policies.
If the group entities' functional currency is different from the presentation currency; it is translated into the presentation currency as below:

- Assets and liabilities for each statement of financial position presented are translated at the exchange rate at the date of that statement of financial position.
- Income and expenses for each statement of profit or loss are translated at average exchange rates in the accounting period; and all resulting exchange differences are recognised as a separate component of equity and statements of other comprehensive income (currency translation differences).

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

2.1 Basis of Presentation (Continued)

2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries (Continued)

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.1.3 Consolidation and equity method accounting principles

The consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures (collectively referred as the "Group") on the basis set out in sections (a) to (c) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications. Financial statements of consolidated entities are restated in accordance with the TAS considering the accounting policies and presentation requirements applied by the Group.

(a) Subsidiaries

Subsidiaries comprise of the companies directly or indirectly controlled by Doğan Holding.

Control is achieved when the Group:

- Has power over the company/asset,
- Is exposed, or has rights, to variable returns from its involvement with the company/asset and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are indicators of a situation or an event that may cause any changes to at least one of the elements of control listed above.

When the Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in the relevant investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- Potential voting rights held by the Group, other vote holders or other parties,
- Rights arising from other contractual arrangements and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders' meetings).

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Subsidiaries are consolidated by the date the Group takes the control and from the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and/or indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

Intercompany transactions and balances are eliminated on consolidation. The dividends arising from shares held by Doğan Holding in its subsidiaries are eliminated from equity and income for the period.

Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group and excluded from the consolidation when the control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

Income and expenses of a subsidiary, acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in ownership interests

The group assesses transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their indirect interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within equity of Doğan Holding.

The table below sets out the proportion of voting power held by Doğan Holding, Doğan Family and its subsidiaries and effective ownership interests as of 31 December 2023 and 31 December 2022:

Petroleum Products Retail

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Aytemiz Akaryakıt (1)	-	50.00	-	-	-	50.00	-	50.00
Aytemiz Petrolcülük (1)	-	100.00	-	-	-	100.00	-	50.00
İstasyon Petrolcülük (1)	-	100.00	-	-	-	100.00	-	50.00

(1) The "Share Transfer Agreement" for the sale of the relevant companies was signed on 4 April 2023, and the "Closing" procedures were completed on 26 April 2023.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Electricity Generation

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Galata Wind	70.00	70.00	-	-	70.00	70.00	70.00	70.00
Sunflower	100.00	100.00	-	-	100.00	100.00	70.00	70.00
Gökova Elektrik	100.00	100.00	-	-	100.00	100.00	70.00	70.00
Galata Wind Global (1)	100.00	-	-	-	100.00	-	70.00	-

Industry and Trade

Subsidiaries	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Ditaş Doğan	68.24	68.24	-	-	68.24	68.24	68.24	68.24
Profil Sanayi	70.00	70.00	-	-	70.00	70.00	47.77	47.77
Profilsan GmbH	100.00	100.00	-	-	100.00	100.00	47.77	47.77
Doğan Dış Ticaret	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Kelkit Doğan Besi	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Sesa Yatırım	70.00	70.00	-	-	70.00	70.00	70.00	70.00
Sesa Ambalaj	100.00	100.00	-	-	100.00	100.00	70.00	70.00
Maksipak	70.00	70.00	-	-	70.00	70.00	49.00	49.00
Karel	55.55	55.55	-	-	55.55	55.55	40.00	40.00
Daiichi	75.00	75.00	-	-	75.00	75.00	30.00	30.00
Telesis	100.00	100.00	-	-	100.00	100.00	40.00	40.00
Karel İletişim	52.60	52.60	-	-	52.60	52.60	21.04	21.04
Karel Europe (2)	100.00	-	-	-	100.00	-	40.00	-
Global PBX (3)	55.00	-	-	-	55.00	-	22.00	-
Huizhou Daiichi	100.00	100.00	-	-	100.00	100.00	30.00	30.00
Daiichi Multimedia	100.00	100.00	-	-	100.00	100.00	30.00	30.00
Foshan Daiichi	100.00	100.00	-	-	100.00	100.00	30.00	30.00
Daiichi Infotainment	99.99	99.99	-	-	99.99	99.99	30.00	30.00
FC Daiichi	100.00	100.00	-	-	100.00	100.00	30.00	30.00
Daiichi Electronics	100.00	100.00	-	-	100.00	100.00	30.00	30.00
Suqian Daiichi	100.00	100.00	-	-	100.00	100.00	30.00	30.00

(1) Galata Wind, one of our subsidiaries, established Galata Wind Energy Global BV, located in the Netherlands, on 25 July 2023.
(2) Karel, one of our subsidiaries, established Karel Europe SRL in Bucharest, Romania, on 4 October 2023.
(3) With the transactions on 16 October 2023 and 20 October 2023, Karel acquired 61,112 shares, partially through acquisition and capital contribution, corresponding to 55% of the capital of GLOBALPBX İletişim Teknolojileri A.Ş. ("Globalpbx") in return for USD625,000, and Globalpbx became a subsidiary of Karel.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Automotive Trade and Marketing

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Suzuki	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Doğan Trend Otomotiv	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Otomobilite	100.00	100.00	-	-	100.00	100.00	100.00	100.00

Finance and Investment

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Öncü Girişim	100.00	100.00	-	-	100.00	100.00	100.00	100.00
D Yatırım Bankası	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Hepiyi Sigorta (4)	87.20	88.10	3.00	-	90.20	88.10	87.20	88.10
Milpa (5)	-	82.29	-	0.16	-	82.45	-	82.29
Doruk Faktoring	100.00	100.00	-	-	100.00	100.00	100.00	100.00
DHI Investment	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Falcon	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Değer Merkezi	100.00	100.00	-	-	100.00	100.00	100.00	100.00

(4) The ratio of the related company has changed due to the share transfer.
(5) "Closing" procedures regarding the sale of the relevant company were completed on 22 August 2023.

Internet and Entertainment

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Glokal (7)	83.98	100.00	-	-	83.98	100.00	88.38	79.22
Kanal D Romanya	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Rapsodi Radyo	100.00	100.00	-	-	100.00	100.00	100.00	100.00
DMC Invest	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Dogan Media Invest	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Glocal Invest (7)	100.00	79.22	-	-	100.00	79.22	100.00	79.22
DG Invest (7)	100.00	79.22	-	-	100.00	79.22	100.00	79.22
Doğan Yayıncılık	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Tele Sağlık (8)	98.50	-	-	-	98.50	-	98.50	-

(7) DHI Investment became the 100% shareholder of the relevant companies after the non-group partner, who owns 20.78% of DG Invest BV, sold and transferred all of its shares to DHI Investment, on 14 September 2023, in accordance with the share transfer agreement dated 24 July 2023.
(8) The transactions regarding the establishment of the relevant company were registered on 4 September 2023.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

2.1.3 Consolidation and equity method accounting principles (Continued)

(a) Subsidiaries (Continued)

Real Estate Investments

	Proportion of voting power held by Doğan Holding and its subsidiaries (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Subsidiaries	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
D Gayrimenkul	100.00	100.00	-	-	100.00	100.00	100.00	100.00
D-Yapı Romanya	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Milta Turizm	100.00	100.00	-	-	100.00	100.00	100.00	100.00
Marlin Otelcilik	100.00	100.00	-	-	100.00	100.00	100.00	100.00
M Investment	100.00	100.00	-	-	100.00	100.00	100.00	100.00

(b) Non-Controlling Interests

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest and non-controlling profit/loss in the consolidated statement of financial position and consolidated statement of income.

(c) Joint Ventures

According to TFRS-11 Joint Agreements, investments under joint agreements are classified as joint activities or joint ventures. The classification is based on contractual rights and obligations of all investors, rather than the legal structure of the joint agreement. An investment is accounted for by equity method from the date at which invested company qualified as an associate or joint venture. In acquisition of the investment, all differences between the acquisition value of the investment and the company's share of the net fair value of identifiable net assets, liabilities and contingent liabilities of the affiliate or the joint venture, are included in the book value of affiliate investment. The portion of the amount that the company's share from the net fair value of the identifiable assets and liabilities of the affiliate or the joint venture, and that exceeds the acquisition value of the investment, is added to the income in determining the amount of the company's share from the profit or loss of the affiliate or joint venture in the period that the investment is obtained.

Joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

2.1.4 Offsetting

Financial assets and liabilities are offset and the net amount is reported when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

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

2.1 Basis of Presentation (Continued)

2.1.5 Comparative information and restatement of prior period financial statements

At the Board of Directors Meeting dated 4 April 2023, the Group decided to sign the Share Transfer Agreement regarding the sale and transfer of the shares in the capital of its direct or indirect subsidiaries operating in the fuel retail section, the details of which are explained in Note 1, and to authorize the management in this regard. Details regarding the share sales and transfer transactions in question were announced on the Public Disclosure Platform as of 4 April 2023 and 26 April 2023. As a result of this decision, as of 31 December 2023, the activities of the subsidiaries in question within the accounting period of 1 January -31 December 2023 have been classified as discontinued operations. In this context, the Group has presented the relevant activities as discontinued operations in the consolidated profit or loss statement and related footnotes for the interim accounting period of 1 January - 31 December 2023 and in the consolidated cash flow statement in order to comply with the presentation of the current period consolidated financial statements.

At the Board of Directors Meeting dated 14 July 2023, the Group decided to sign the Share Transfer Agreement regarding the sale and transfer of its shares in the capital of Milpa, its direct subsidiary operating in the real estate investments section, the details of which are explained in Note 1, and to authorize the management in this regard. The Share Transfer Agreement was signed on 14 July 2023. Details regarding the share sales and transfer transactions in question have been disclosed on the Public Disclosure Platform as of 17 July 2023. The activities of the subsidiary in question within the interim accounting period of 1 January - 31 December 2023 have been classified as discontinued operations. In this context, the Group has presented the relevant activities as discontinued operations in the consolidated profit or loss statement and related footnotes for the interim accounting period of 1 January - 31 December 2022 and in the consolidated cash flow statement in order to comply with the presentation of the current period consolidated financial statements.

The Group's consolidated financial statements are prepared comparatively with the previous period in order to enable the determination of financial situation and performance trends. The Group combines the consolidated financial position statement dated 31 December 2023 with the consolidated financial position statement dated 31 December 2022; The consolidated profit or loss statement and consolidated other comprehensive income statement, consolidated cash flow statement and consolidated statement of changes in shareholders' equity for the interim accounting period ending on 31 December 2023 have been prepared comparatively with the relevant consolidated financial statements for the accounting period between 1 January - 31 December 2022. .

When deemed necessary, comparative information is reclassified and significant differences are disclosed in order to ensure compliance with the presentation of the current period consolidated financial statements.

2.1.6 Significant accounting policies and changes in accounting estimates and errors and restatement of prior period financial statements

Changes of accounting policies resulting from the first time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

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

2.1 Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS")

In the current period there is no such standard or interpretation affecting the Group's financial performance, statement of financial position, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no effect on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

a. New standards applicable as of 31 December 2023 and amendments to existing previous standards and interpretations:

- **Narrow-scope amendments to TAS 1, Application Statement 2 and TAS 8;** It is valid for annual reporting periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies.

- **TAS 12, Amendment regarding deferred tax on assets and liabilities arising from a single transaction;** It is valid for annual reporting periods beginning on or after 1 January 2023. These changes require companies to recognize deferred tax on transactions that cause taxable and deductible temporary differences to occur in equal amounts when first recognized in the financial statements**.**

- **Amendment to TAS 12, International tax reform;** The temporary exception is effective for year-end December 2023, with disclosure requirements applicable to accounting periods beginning 1 January 2023, with early application permitted. These changes provide companies with temporary relief in accounting for deferred taxes arising from the Minimum Tax Implementation Guidelines international tax reform. The changes also include disclosure requirements for affected companies.

- **TFRS 17, 'Insurance Contracts';** It is valid for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which already allows a wide range of applications. TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with optional participation features.

b. Standards and amendments that have been published but have not yet entered into force as of 31 December 2023:

- **TFRS 16, Sale and leaseback transactions;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes include the sale and leaseback provisions in TFRS 16, which explain how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected:

- **TAS 1, Amendment regarding long-term obligations with contractual conditions;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes clarify how the requirements that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The changes also aim to improve the information the entity provides regarding obligations subject to these conditions.

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

2.1 Basis of Presentation (Continued)

2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS") (Continued)

b. Standards and amendments that have been published but have not yet entered into force as of 31 December 2023 (Continued):

- **Changes regarding supplier financing agreements in TAS 7 and TFRS 7;** It is valid for annual reporting periods beginning on or after 1 January 2024. These changes require disclosure to increase transparency around supplier financing agreements and their impact on businesses' liabilities, cash flows and liquidity risks. Disclosure requirements are the IASB's response to investors' concerns that some companies' supplier financing agreements are not sufficiently clear and hinder investors' analysis.

- **TAS 21 Lack of Interchangeability;** It is valid for annual reporting periods beginning on or after 1 January 2025. An entity is affected by these changes when it has a transaction or activity in a foreign currency that cannot be converted into another currency at a specific measurement date for a specific purpose. A currency may be exchanged for another currency when the possibility of obtaining it becomes available (with normal administrative delay) and the transaction; occurs through a market or exchange mechanism that creates enforceable rights and obligations.

- **TSRS 1, "General Provisions on Disclosure of Financial Information Related to Sustainability"** is valid for annual reporting periods starting on or after 1 January 2024. This standard contains the basic framework for disclosing all serious risks and opportunities a company is exposed to regarding sustainability within its value chain.

- **TSRS 2, "Climate-related disclosures";** It is valid for annual reporting periods beginning on or after 1 January 2024. This standard is the first to establish disclosure requirements for companies about climate-related risks and opportunities**.**

The Group has not yet determined the effects that may occur on its consolidated financial statements as a result of the application of these standards, other than those stated above, and does not expect such differences to have a significant impact on its consolidated financial statements.

2.2 Summary of Significant Accounting Policies

Related parties

Related parties are individuals or businesses that are related to the entity that prepares its financial statements (reporting entity).

(a) A person or a member of that person's immediate family is related to a reporting entity if: The person in question

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

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

2.2 Summary of Significant Accounting Policies (Continued)

(b) An entity is considered related to a reporting entity if any of the following conditions are met:

- (i) The entity and the reporting entity are members of the same group (that is, each parent, subsidiary and other subsidiary is related to the others).
- (ii) If the entity is a subsidiary or joint venture of the other entity (or a member of a group of which the other entity is a member).
- (iii) If both businesses are joint ventures with the same third party.
- (iv) If one of the enterprises is a joint venture of a third enterprise and the other enterprise is a subsidiary of that third enterprise.
- (v) If the entity, the reporting entity, or an entity related to the reporting entity has post-employment benefit plans for employees. If the reporting entity itself has such a plan, sponsoring employers are also affiliated with the reporting entity.
- (vi) If the business is controlled or jointly controlled by a person defined in clause (a).
- (vii) A person identified in subparagraph (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a fee is charged.

In the light of the above explanations, in accordance with TAS 24, legal entities in which Doğan Şirketler Grubu Holding A.Ş. participates directly or indirectly, including "joint ventures subject to joint management"; Directly or indirectly on the group; Natural and legal person partners who have sole or joint control power and their close family members (up to the second degree) and legal entities controlled by them, directly or indirectly, alone or jointly, and those over whom they have significant influence and/or are key management personnel The legal entities it acts as; The Group's subsidiary, members of the Board of Directors, key management personnel and their close family members (up to the second degree) and legal entities controlled by them, directly or indirectly, alone or jointly, are considered as related parties (Note 35).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and short-term, high-liquid investments that can be easily converted into cash, have an insignificant risk of change in value, and have a maturity of 3 months or less (Note 6).

Trade receivables and provisions for doubtful receivables

The Group's trade receivables from providing goods or services to customers are carried at net of unrealized finance income ("unrealized financial income due to sales with maturity"). Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named "effective interest rate". Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 9).

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

2.2 Summary of Significant Accounting Policies (Continued)

When calculating the impairment of trade receivables, which are recognised based on the cost amortised in financial statements and do not include an important financing component, Group preferred to adopt "simplified approach" in TFRS 9 standard.

According to "simplified approach" of TFRS 9 Standard, loss provisions concerning trade receivables are calculated equal to "lifetime expected credit loss" if trade receivables are not impaired due to valid reasons as stated in TFRS 9.

TAS 39, "Financial Instruments" valid before 1 January 2018: Instead of "realised credit losses model" in Accounting and Measurement Standard, "expected credit loss model" was defined in TFRS 9 "Financial Instruments" Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of the Group are considered.

Trade receivables and provisions for doubtful receivables (Continued)

The Group decides to allocate provision for doubtful receivables, whose payment was not made within the ordinary commercial activity cycle of the Group, considering whether the trade receivable is subject to administrative and/or legal proceeding, whether or not they have a guarantee and there is an objective finding. The amount of such provision is the difference between the book value of the receivable and the collectible amount. The collectible amount is the current value of the expected cash flow, including the amounts to be collected from guarantees and collaterals, which is discounted based on the original effective interest rate of the initial receivable.

When trade receivables are not impaired for certain reasons along with realised impairment losses, Group recognises expected credit loss provision equal to lifetime expected credit loss for trade receivables as per TFRS 9. Expected credit loss is calculated by expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from operating activities (Note 29).

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognized as other income from operating activities following the write-down of the total provision amount (Note 9, 29).

Receivables from finance sector operations

Financial assets generated as a result of lending money or providing a loan are classified as receivables from finance sector operations and are carried at amortised cost, less any impairment. All loans and advances are recognised in the consolidated financial statements when cash is transferred to customers (Note 10).

Impairment

Group has adopted "three level impairment approach (general model)" defined in TFRS 9 for the recognition of impairment losses on receivables from finance sector operations, carried at amortised cost or carried at fair value through other comprehensive income. General model considers the changes in the credit quality of the financial instruments after the initial recognition. Three levels defined in the general model are as follows:

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

2.2 Summary of Significant Accounting Policies (Continued)

"Level 1", includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ("ECL") are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date and represents the credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

"Level 2", includes financial instruments that have had a significant increase in credit risk since initial recognition but those do not have objective evidence of impairment. For these assets, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

"Level 3", includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognised.

Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account appropriate amount of credit losses in the consolidated financial statements.

The changes in the expected credit losses on receivables from finance sector operations are accounted for under "other operating income/expenses" account of the consolidated statement of income. (Note 29).

Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale (net realizable value). Cost elements included in inventory are purchasing costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 12).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the consolidated statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changing economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment.

Financial Assets

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

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

2.2 Summary of Significant Accounting Policies (Continued)

(a) Financial assets carried at amortized cost

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

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision is not provided to the trade receivables as a result of a specific event, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.

(b) Financial assets carried at fair value

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

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of "derivative instruments" in consolidated statement of financial position and "financial asset", which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short-run, irrespective of the reason of acquisition, and kept for trading purposes. Derivative instruments are recognised as asset if their fair value is positive and as liability if their fair value is negative. Group's derivative instruments consist of transactions concerning future contracts and transactions related to commodity contracts. Financial assets that are measured by their fair value and associated with the profit or loss statement are initially reflected on the consolidated statement of financial position with their costs including the transaction cost. These financial assets are valued based on their fair value after they are recognised. Realised or unrealised profit and losses are recognised under "financing income/(expense)". Dividends are recognised as dividend income in consolidated profit or loss statement. Financial assets including the derivative products not determined as hedging instruments are classified as financial assets whose fair value difference is reflected as profit or loss (Note 23).

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

2.2 Summary of Significant Accounting Policies (Continued)

ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist of equities and certain debt securities held by the Group and listed in a stock exchange of an active market and they are recognised under "financial investments" in consolidated statement of financial position. Impairment in these assets, which are recognised with their fair value, and unrealised profit or loss, which arise from changes other than changes in profit or loss concerning exchange rate differences in interest and monetary assets calculated by efficient interest method are tracked under consolidated other comprehensive income statement and under financial asset shall be recognized in equity, through the investment revaluation reserve until the financial asset is removed from consolidated financial statements. If the assets whose fair value difference is recognised under consolidated other comprehensive income statement are sold, valuation differences classified under consolidated other comprehensive income statement are classified under "Retained Earnings/(Losses)".

Derivative financial instruments and hedge accounting

Derivative financial instruments, predominantly foreign currency and interest swap agreements, commodity exchange contracts and foreign currency forward agreements are comprised. Derivative financial instruments are subsequently remeasured at their fair value. Fair values of derivative financial instruments are obtained from quoted market prices or discounted cash flow models as appropriate. Based on positive or negative fair value, derivative financial instruments are carried as assets or liabilities in the statement of financial position respectively (Note 23).

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss.

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives is included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or a liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item has an effect on profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

The Group utilizes foreign exchange derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts, commodity contracts and option contracts regarding the management of fluctuations in exchange rates and fuel prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in equity remains in equity until the forecast transaction or firm commitment affects profit or loss. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognized in equity are transferred to the profit/(loss) statement.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

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

2.2 Summary of Significant Accounting Policies (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions as of the statement of financial position date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated profit or loss in the period in which they arise. Deferred tax (liability)/asset has been calculated from all the temporary differences from investment properties.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in consolidated profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognized as revaluation fund in consolidated statement of other comprehensive income (Note 14).

Property, plant and equipment

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses (Note 15). Depreciation is provided on property, plant and equipment on a straight-line basis (except land). Lands are not subject to depreciation due to their unlimited useful life. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Years
Land improvements	8 - 50
Buildings	10 - 50
Machinery and equipment	3 - 40
Motor vehicles	2 - 10
Furniture and fixtures	2 - 20
Leasehold improvements	2 - 27
Other tangible assets	3 - 15

Expected useful life, residual value and depreciation method are reviewed annually for possible effects of changes in estimates and are recognized prospectively if there is a change in estimates.

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

2.2 Summary of Significant Accounting Policies (Continued)

An item of property, plant and equipment is derecognized in the consolidated statement of financial position upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as income or expenses from investing activities in consolidated profit or loss.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount provided to allocate provision. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets as of the consolidated statement of financial position date.

Repair and maintenance expenses are charged to the consolidated statement of profit or loss as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

Gain and losses regarding sale of property, plant and equipment are accounted as other income and expenses from investing activities.

Intangible assets and related amortization

Intangible assets excluding goodwill and assets with infinite useful lives comprise of terrestrial broadcasting permissions and licenses (frequency rights), other identified rights and computer software.

Prepaid dealer agreement amounts have been recognized under intangible assets within the context of dealer agreements made with certain fuel oil and LPG dealers to guarantee product sales by Aytemiz Akaryakıt and the duration of these dealer agreements is 5 years.

Intangible assets with estimated useful life are accounted for at acquisition costs and amortized on a straight-line method (Note 16).

Estimated useful lives of intangible assets are as follows:

	Years
Computer software and rights	2 - 15
Trade names	15
Customer relations	8 - 15
Technological assets	15
Other intangible rights	5 - 49

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

2.2 Summary of Significant Accounting Policies (Continued)

Intangible assets with estimated useful lives are tested to determine whether there is an indication that the intangible assets may be impaired and if the carrying value of the intangible asset is higher than the recoverable amount, the carrying value of the intangible asset is written down to its recoverable amount provided to allocate provision. The amount recoverable from an intangible asset is either the discounted net cash flows generated from the use of that intangible asset or the net sales value of that intangible asset depending whether the former or the latter being higher. Provision for impairment is recognised under the statement of profit or loss in the related period.

Marina utilization right which is held by the Group's subsidiary Milta Turizm and classified in other intangible rights, is being amortized for a period of 49 years regarding the transfer agreement on 13 November 1997 with the Privatization Administration (Note 16).

Development costs

Development costs for the design and testing of detectable and unique products controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete the product to be ready for use,
- Management intends to complete and use or sell the product,
- Possibility to use and sell the product,
- Certainty on how the product is likely to provide future economic benefits,
- Availability of sufficient technical, financial and other resources to complete the development phase and to use or sell the product and
- Reliable measurement of expenses related to the product during the development process.

Capitalized development costs are recognized as intangible assets and are amortized beginning from the date the asset is ready for use.

Impairment of assets excluding goodwill and intangible assets with infinite useful lives

At each statement of financial position date, the Group evaluates whether there are any indications that an asset other than goodwill or infinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognized in the consolidated statement of profit or loss (Note 16).

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

2.2 Summary of Significant Accounting Policies (Continued)

Taxation

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of statement of financial position date and includes adjustments related to the previous year's tax liabilities. Turkish tax legislation does not permit a parent company to file a consolidated tax return for its subsidiary and its joint venture. Therefore, tax provisions, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Deferred income tax is provided, using the liability method, on temporary differences arising between the statutory tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities (Note 33).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority (Note 33).

Current and deferred tax

Tax is included in the statement of profit or loss, unless it is related to an operation that is accounted directly under equity. Otherwise, tax is accounted under equity as well as the related transaction (Note 33).

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

2.2 Summary of Significant Accounting Policies (Continued)

Repurchased shares

The Group's redeemed shares (repurchased own shares) are not considered as a separate financial asset as a financial instrument based on the Group's equity, regardless of any reason. In the case of repurchase of financial instruments based on equity, the Company recognizes such instruments by deducting them from equity, in accordance with the related legal regulations, legal reserves are allocated over the acquisition cost equal to the share amount received and the legal reserves are accounted under "restricted reserves" account under shareholders' equity (Note 25).

Financial borrowings and borrowing costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the profit or loss as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset.

Employment termination benefits

The provision for employment termination benefit represents the present value of the estimated total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 24).

According to the amendment in TAS 19, the Group calculated employment benefit in accordance with the report prepared by the actuarial firm and recognised all actuarial loss and gains in the other comprehensive statement of profit or loss as of the statement of financial position date.

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously treated as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised by the Group in the financial statements of the period in which the change occurs.

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

2.2 Summary of Significant Accounting Policies (Continued)

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 19).

Share capital and dividends

Ordinary shares are classified as equity. Dividend income is recognized as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the General Assembly (Note 25).

Revenue recognition

When the Group meets its performance obligation by transferring a product or service that is committed before, the revenue is recognised in consolidated financial statements. When the the client takes over the control of an asset, the asset is deemed transferred.
The Company transfers the revenue to the financial statements based on the following five principles:

- Determining client agreements,
- Determining performance obligations in agreements,
- Determining transaction price in agreements,
- Distributing transaction price to performance obligations in agreements,
- Recognising the revenue as each performance obligation is met.

If all the below-mentioned conditions are met, Group recognises an agreement made with the client as revenue:

- Parties to the agreement approved the agreement (in writing, orally or in other means in line with commercial practices) and committed to meet their respective obligations,
- Group can define the rights of each party concerning the goods or services to be transferred,
- Group can define payment conditions concerning the goods or services to be transferred,
- The agreement is commercial in essence.
- It is possible that the Group will collect money in return for goods and services to be transferred to the client.

When determining whether the money can be collected, Group only considers its client's ability and intention to pay the money in time.

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation.

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

2.3 Summary of Significant Accounting Policies (Continued)

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation as follows:

a) Different goods or service (goods or service packages) or
b) A group of different goods or services which are similar in a great extent and transferred to the client with the same method.

A group of different goods or services are subject to the same transfer method if the below conditions are met:

a) Each different product or service that the Group committed to transfer to the client must meet required conditions and constitute a performance obligation to be met in time and
b) As per the relevant paragraph of the standard, using the same method to measure the progress of the Group in meeting its obligation to transfer each product or service included in the group to the client.

Group sells different products and services as a package and also can sell them separately. Each product and service which are determined through agreement and Group transferred to its clients in a package are described as different goods and services. Additionally, because clients can benefit from these services separately, these services can be described independently from other commitments in the agreement. Based on this, each service in a package is recognised as a separate performance.

If a third party is involved in the process where goods or services are provided to client, when the Group determines its performance liability it assess whether its commitment is about providing (primary) the good or service by itself or mediating (agent) the sale of the goods or services provided by other parties. According to this, if the Group checks the goods or services before delivering them to client, the Group is in the primary position related to sale of good or services. When (or as long as) the Group meets it performance liability, it recognises the revenue equal to gross amount of price, which it expects to earn in return for transferred goods or services, in the consolidated financial statements. If the Group mediates the process where other parties provide the goods and services, it is in the agent position and cannot include the revenue for the performance liability in the consolidated financial statements.

Group takes into account agreement provisions and commercial customs in order to determine transaction price. Transaction price is the price, which the Group expects to deserve in return for goods and services Group committed to provide to client, excluding amounts (e.g. some sales taxes) collected on behalf of third parties. A committed price in an agreement with a client can include both the fixed amounts and variable amounts. There are variable amounts because the agreements Group made with clients have scores from turnover-based discounts, returns and customer loyalty programs. If the price the Group commits in the agreement is variable, the Group determines the price it deserves in return for goods and services committed to client through estimation. For the Group to include some or all of cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated. When assessing whether or not there will be an important cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated, the Group must take into account both realisation possibility and impact of revenue cancellation.

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

2.2 Summary of Significant Accounting Policies (Continued)

In assessing whether it is highly probable that there will be no significant cancellation in the amount of cumulative revenue recognized in the consolidated financial statements when the uncertainty regarding the variable price disappears later, the Group considers both the likelihood and the magnitude of the revenue reversal.

If a company offers its client in an agreement a choice to receive additional good or services, this choice leads to a performance liability if the choice gives the client a tangible right that client cannot use as long as the client does not sign the agreement as a party. If the choice gives client a tangible right, the client makes prepayment to the company for the goods and service it will receive in the future. The company includes this revenue in the financial statements when these future goods and services are transferred or this choice expires.

If independent sale price related to client's choice to receive additional good or service cannot be observed, the company determines this through estimation. If client chooses to receive good or service, this estimation reflects the discount the client will get based on the followings:

(a) Discount if the client does not choose to receive good or service,
(b) Possibility of using the choice.

After receiving pre-payment from client, the company includes an agreement liability equal to pre-payment in return for performance liability related to transferring goods or services in the future or making them ready to be transferred. When the company completes transfer of goods or services and therefore meets its performance liability, it removes this agreement liability from financial statements (and the revenue is included in the financial statements).

Because the awards related to "Vendor Loyalty Project", which the Group applies for sales transactions with vendors and end-sellers, and card loyalty programs (Aytemiz card etc.) the Group provides to its clients give clients a tangible right that client cannot use as long as it does not sign the agreement as a party, the amounts the relevant client earns are recognised as agreement liability in the consolidated financial statements. When these awards from "Vendor Loyalty Project" are used, they are recognised by deducting from gross revenue in the financial statement by deducting from agreement liability.

When the Group expects to collect a price and accepts to pay some or all of this price back to client, it includes the return liability in the financial statements. Return liability is measured based on the collected (or receivable) price (in other words, amounts which are not included in the transaction price) the company does not expect to deserve. Return liability (change in the transaction price and agreement liability) is updated at the end of every reporting period by considering the changes in the conditions.

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

2.2 Summary of Significant Accounting Policies (Continued)

The Group includes the following things in the financial statement in order to recognise the transfer transaction of products which can be returned (along with some delivered services, on condition with being subject to return):

(a) Revenue in return for products transferred at the value which the company expects to deserve (therefore the revenue related to product that are expected to be returned is not included in the financial statements),
(b) A return liability and
(c) An asset in return for a right to get the products back from client after the company meets its return liability (based on this, an adjustment in sales cost).

An asset, recorded in financial statements in scope of the right to take the products back from the client to carry out refund liability, should be evaluated considering the resulting amount after the costs (including the potential decrease of value of the returned product from the perspective of the business) to be made in scope of taking back these products at previous book value (if available). The group updates its refund liability measure in a manner that it reflects the changes in the expected refund amounts and reflects the necessary adjustments in consolidated financial statements as revenue (or discounts from revenue).

A good or service's contractually specified price is its independent sale price. If there is more than one good or service to transfer in the contract, the Group allocates the transaction price to each performance liability (or different good or service) in an amount that shows the amount which the client expects to have a right to in return for transfer of the goods or services committed to the client. To reach its distribution target, the Group allocates the transaction price to each performance liability specified in the contract at a proportional independent sale price. To allocate the transaction price to each performance liability on a basis of a proportionate individual sale price, the Group determines the individual sale price of different goods or services that make up the basis of each performance liability in the contract at the beginning date of the contract and allocates transaction price in proportion to these individual sale prices.

When a party carries out the contract, the Group reflects the contract as a contract asset or contractual liability in the statement of financial position, depending on the relationship between the business performance and client payment. The Group records its unconditional rights related to the price as a receivable.

If the sum of sale prices of the individual goods and services committed in the contract exceeds the amount committed for them in the contract, it means that the client received a discount in return for purchasing goods or a service package. Except for the cases where there are observable indications that the discount is related to one or a few of the performance liabilities regulated in the contract and not all of them, the Group allocates the discount directly proportional to all performance liabilities.

Industry, trade and packaging revenue

The Group's industrial income is made up of income that the Group gets through the activities of its subsidiaries Çelik Halat, Ditaş Doğan and Profil Sanayi. This income gained through product sales is recognised when the client takes over the control of the committed asset, "at a specific point in time". Trade incomes of the Group are defined as merchandise sales and brokerage and commission income. The Group records the merchandise sales income at a specific time, when it transfers the control of the merchandise to the other party. Foreign trade incomes of the Group are recognized over time, at the time the service is completed. The Group's packaging income is made up of income through the sale of food and cosmetic packages of Sesa Ambalaj and Maksipak. This income gained through product sales is recognised when the client takes over the control of the committed asset, "at a specific point in time".

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

2.2 Summary of Significant Accounting Policies (Continued)

Vehicle sales and automative distribution revenue

The control after paying special consumption tax and issuing a registration for the sold vehicles is accepted to have been transferred to the client. It is recognised as income “at a specified moment in time” through reliable calculation of income amount.

Before the group transfers a good or a service to the client, if the said client pays the price or the business has an unconditional receivable on the price, it reflects the contract as a contractual liability on the date the payment is made or when the payment is due (whichever is earlier). Contract liability is the liability of the business to transfer goods or services to the client in return for the amount it has collected (or earned the right to collect). In cases where the customer does not pay the cost or the performance obligation is met by transferring the goods or services to the customer before the due date, the Group presents the contract as a contract asset except the amounts presented as receivable.

Electricity generation revenue

The group earns electric sales income through generating electricity from hydroelectric plants, solar electricity plants and wind energy plants and selling it. Since electricity is a service provided as a series that the client gets and consumes simultaneously, it is recognised as one performance, over time and through output method.

Factoring operations revenue

Interest and commissions arising from factoring transactions are reflected to the statement of profit or loss on an accrual basis depending on the duration of the factoring contracts.

Finance sector operations revenue

Interest income and expenses are recognized on an accrual basis. Interest income is deducted from the records as soon as the management decides that the loans and advances given to customers cannot be repaid, and the accruals recorded until that date are cancelled and not recorded as revenue until the collection is made.

Revenues from book and magazine sales

It represents the proceeds from the book and magazine sales of Doğan Yayıncılık, a subsidiary of the Group. The revenues generated within this scope are accounted “at a certain moment of time” on the date of the shipping of the books and magazines.

Real estate revenue

The revenue gained from Milpa’s (a subsidiary of the group) residence construction projects is realized “at a specific point in time” after the Group carries out all duties specified in the contract fully and the buyer confirms the delivery report and control arising from owning legally an asset are transferred to the buyer of the property.

In addition to this the related income consists of Group’s subsidiary Milta’s Marina income. Marina income is consisted of accommodation of sea vehicles and store rent incomes. The said rent income is recorded during the rent contracts over time and based on the output method.

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

2.2 Summary of Significant Accounting Policies (Continued)

Rent income

The rent income gained from real estates is recognised throughout the relevant rent agreement, "over time" and with "output" method.

Administration consultancy income

The related income is made up of consultancy. Throughout the related consultancy projects, the accounting is performed according to the "over time" and "output" method.

Advertisement revenue

The Group's advertisement income is made up of income gained from the advertisements that were published on written, visual and digital media. If the client simultaneously gets the benefits of performance as the advertisement is published and consumes it, that means the Group has transferred the service's control over time. Therefore, as performance liability is carried out (as the advertisement is published), revenue is recognised over time and depending on the output method. The unpublished portion of the ads are recognised in the financial statement as contractual liability.

Revenues from circulation and magazine sales

Circulation revenues consist of revenues from mass sales. Revenues generated within the scope of this service are accounted "at a certain moment of time" on the date of the shipping of the magazines.

Subscription and membership income

Subscriber revenues include revenues related to real estate website, digital platform and internet subscriptions. The group monitors real estate website memberships individually and corporately. The Group can sell subscriptions and memberships by packaging products and services that can be sold separately. (For example: Posting ads, highlighting service and mobile phone can be sold as a package within the real estate site membership). Each product and service included in the package is accounted for as a separate performance. The individual sales price for each performance is determined by taking into account observable prices. It is recorded as income when control of the actions is transferred to the customer. Since customers can benefit from and consume ad publishing and highlighting services simultaneously, they are accounted for using the "over time" and "output" method. The products in the packages are recognized when physical possession is transferred to the customer.

Automotive and telecom revenues

The Group's revenue generated from the automotive industry is comprised of the revenue generated as a result of Karel's subsidiary Daiichi's operations. Telecommunication revenue is defined as commercial goods sales and service sales. The Group records commercial goods sales revenue when it transfers the control of the commercial goods to the other party. For service sales, the Group evaluates the goods guaranteed in each agreement with customers and identifies each guarantee for the transfer of these goods as a separate action liability. The revenue from the action liabilities, which have the quality of goods transfer guarantees, is recognized when the control of goods is completely transferred to customers.

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

2.2 Summary of Significant Accounting Policies (Continued)

Leases

If a contract regulates the right to control the use of an asset that is defined in the contract for a certain period and for a specific price, this contract is considered as a lease in its nature or includes a lease transaction. At the beginning of a contract, the Group assesses whether the contract is a lease or include a lease transaction. The Group considers the following conditions when assessing whether or not a contract transfers the right to control the use of a defined asset for a specified period of time:

a) The existence of a clearly or implicitly identifiable asset that constitutes the subject of the lease,
b) The lessee has the right to obtain almost all of the economic benefits from the use of the defined asset that constitutes the subject of the lease,
c) The lessee has the right to manage the use of the defined asset that constitutes the subject of the lease. According to circumstances listed below, the tenant is deemed to have the right to manage the defined asset constituting the subject of the lease;

    i. The lessee has the right to operate the property for the duration of its use (or to direct others to operate the property in its own way) and the lessor does not have the right to change these operating instructions or
    ii. Designing the asset (or certain features of the asset) in advance in a manner of how and for what purpose the asset will be used during its occupancy by the lessee.

In case that the contract fulfills these conditions, the Group reflects a right of use asset and a lease liability to the consolidated financial statements at the date of the lease's actual start.

The right of use assets

The right-of-use asset is initially recognized by the cost method and includes the followings:

a) The first measurement amount of the lease liability to be recognized as the right of use asset,
b) Deduction of all leasing incentives related to the lease, from the first measurement amount of the lease liability recorded as a right of use asset,
c) All direct costs, that are related to the lease, incurred by the Group to be added to the first measurement amount of the lease liability, which will be recognized as a right of use asset, and
d) Estimated costs to be incurred by the Group shall be added to the initial measurement amount in relation to the dismantling and transporting of the defined asset constituting the subject of the lease, the restoration of the area in which it is placed, or the restoration of the defined asset as required by the terms and conditions of the lease.

In applying the cost method, the Group measures the right of use asset by:

a) Deducting the accumulated depreciation and accumulated impairment losses and
b) Measuring the cost of the lease in accordance with the re-measurement of the lease liability.

The Group applies depreciation provisions in “TAS 16 Property, Plant and Equipment” while depreciating the right of use asset. In order to determine whether the right of use asset has been impaired or not and to recognize any impairment losses the “TAS 36 Impairment of Assets” standard is implemented.

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

2.2 Summary of Significant Accounting Policies (Continued)

Lease liability

At the effective date of the lease, the Company measures its leasing liability at the present value of the lease payments not realized at that date. If the interest rate on the lease can be easily determined, this rate is used in discount; if the implied interest rate cannot be easily determined, the payments are discounted by using the alternative borrowing interest rate of the lessee.

Lease payments that are included in the measurement of the lease liability of the Group and the payments that have not occurred on the date when the lease is actually started consist of the following:

a) Amount deducted from all types of rental incentive receivables from fixed payments.
b) Lease payments based on an index or a rate, lease payments made using an index or a rate at the time the initial measurement was actually started.
c) The penalty for termination of the lease in cases the lessee shows a sign of it will use an option to terminate the lease.

After the effective date of the lease, the Group measures its lease liability as follows:

a) Increasing the book value by reflecting interest on lease liability,
b) Reducing the book value by reflecting the lease payments made,
c) Re-measures the book value to reflect any re-evaluations and reconfigurations, if any. The Group reflects the remeasured amount of the lease obligation to the consolidated financial statements as adjustment in the use of right.

Extension and early termination options

A lease obligation is determined by considering the extension of the contracts and early termination options. Most of the extension and early termination options included in the contracts consist of options that are jointly applicable by the Company and the lessor. However, if such extension and early termination options are at the Company's discretion in accordance with the contract and the use of the options is reasonably certain, the lease term shall be determined by taking this issue into account. If there is a significant change in the conditions, the evaluation is reviewed by the Company.

Facilitative applications

Contracts related to IT equipment leases (mainly printer, laptop, mobile phone, etc.), which are determined by the Company as low value, short-term lease agreements with a period of 12 months and less, have been assessed under the exemption granted by the TFRS 16 Leases Standard, and payments for these contracts are recognized as an expense in the period in which they are incurred.

Business combinations

The acquisition of businesses is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquire. Acquisition-related costs are generally recognised as cost as incurred.

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

2.2 Summary of Significant Accounting Policies (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date;
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after revaluation, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with if it is found to be within the standart of TFRS 9 Financial Instruments: Recognition and Measurement, the mentioned conditional price is measured at its fair value and the gain or loss arising out of the change is recognised under profits, losses or other comprehensive income. Those not covered under the scope of TFRS 9, is recognized in profit or loss as per TAS 37 Provisions or other suitable "TAS".

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

2.2 Summary of Significant Accounting Policies (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date (Note 3).

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3 “Business Combinations”. Therefore, goodwill is not calculated in such mergers. Besides, transactions occurring between the parties in legal mergers are subject to amendments during the preparation of the consolidated financial statements. In the accounting of share transfers under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with their carrying values. Mergers between entities under common control are recognized by “Pooling of Interests” method. In applying the “Pooling of Interests” method, the consolidated financial statements are adjusted as if the acquisition was performed as of the beginning at the relevant reporting period in which the common control is carried out and they are presented comparatively as of the beginning of the relevant reporting period. As a result of these transactions, no goodwill or negotiable purchase effect is calculated (Note 3). Business combinations subject under common control are not within the scope of TFRS 3 “Business Combinations” and the Group does not recognize any goodwill with respect to such transactions. If the carrying amount of the acquired net assets on the date of the merger exceeds the transferred value, the difference is considered as the additional capital contributions of the shareholders and reflected to the Share Premiums. On the contrary, namely as a difference that occurs when the net value of the transferred assets exceeds the carrying amount of the net assets of the Company, on the date of the merger, the difference is reflected in the section “Effects of Mergers of Entities Under Common Control”.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

The cash-generating unit, where the goodwill is allocated, is tested for impairment annually. If there is any indication that the unit is impaired, the impairment test is performed more frequently.

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

2.2 Summary of Significant Accounting Policies (Continued)

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated financial statements. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Gains or losses resulting from the sale or purchase of subsidiaries under the control of Doğan Holding (transactions that do not result in a change in control) are recognised under equity. TAS 27 (Revised) requires ownership decreases or increases which do not result in a change in control to be recorded under equity for accounting periods beginning on or after 1 July 2009. For accounting periods beginning prior to 1 July 2009, the difference resulted in favor of acquisition value in connection with sale or purchase of subsidiaries under the control of the Group which does not result in a change in control was recognised as goodwill.

Foreign currency transactions

<u>Foreign currency transactions and balances</u>

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, under finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis under other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised under other comprehensive income.

<u>Group companies</u>

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each income statement are translated at average exchange rates unless this average is not reasonable approximate of the cumulative effect of the prevailing on the transaction dates in which case income and expenses are translated at the rate on the dates of the transactions and
- All resulting exchange differences are recognized in other comprehensive income.

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

2.2 Summary of Significant Accounting Policies (Continued)

Assets Held for Sale and Liabilities Related to Asset Groups Classified as Held for Sale

Fixed assets (or groups of assets to be disposed of) are classified as held for sale because their book values can be regained through sale rather than ongoing use, and when it’s accepted that the possibility for sale is high. Deferred tax assets, assets gained as a result of employee benefits, financial assets, investment properties moved at their fair value and those rights other than the rights arising out of the contracts on insurance policies have been specifically excluded. Assets such as these held for sale and liabilities related to asset groups classified as held for sale are measured with whatever is lower, the book value or the sales-cost-deducted fair value.

If the value of an impairment of an asset (or group of assets to be disposed of) is lowered to its sales-cost-deducted fair value at the beginning or later, the impairment loss is recognised. If it does not exceed the accumulated impairment losses recognised beforehand, any increase to the sales-cost-deducted value of an asset (or group of assets to be disposed of) is recognised as income. Income or loss of an asset (or group of assets to be disposed of) that was not recognised before the day it was sold is recognised as of the day when the said asset is left out of the statement of financial position.

Fixed assets classified as held for sale and liabilities related to asset groups classified as held for sale (a fixed asset which is part of an asset group to be disposed of) cannot be depreciated or amortised. Interest or other expenses of debts related to the asset group classified as held for sale or to be disposed of continue to be recognised.

A fixed asset recognised as held for sale, and assets in a group of assets to be disposed of classified as held for sale , are shown separately from other assets in the statement of financial position. Debts related to an asset group classified as held for sale are shown separately from liabilities in the statement of financial position.

Segment Reporting

Industrial segment which is an asset and operation group producing goods and services is exposed to different risks and rewards from other industrial segments. The Group operations were monitored and reported as seven main segments, “Petroleum Products Retail”, “Electricity Generation”, “Industry and Trade”, “Automotive Sales and Marketing” “Finance and Investment”, “Internet and Entertainment”, “Real Estate Investment” by the management. The Group management may change the structure of segment reporting, if they reach the conclusion that new structure may affect financial statement users’ decisions and/or it will be useful during the review of financial statements. As the sales and the purchases of the Group are made and the assets of the Group are located mainly in Turkey, no geographic segmental information is considered necessary (Note 5).

In segment reporting, intra-segmental operations are recognised at segment level and inter-segmental operations are recognised as eliminations at consolidation level.

Earnings/(loss) per share

Earnings/(loss) per share is determined by dividing net income/(loss) by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their issued capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares for all of the periods presented in the financial statements. Therefore, the weighted average number of shares used in earnings per share computations are made with regards to the distribution of shares occurred in the prior years (Note 34).

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

2.2 Summary of Significant Accounting Policies (Continued)

Government grants

Government grants are not recognized in the financial statements until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants which are financial assets, should be recognized as deferred revenue in the consolidated statement of financial position rather than recognised in the statement of profit or loss to clarify the expenditure item that is financed and transferred to profit or loss on a systematic and rational basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates (Note 18).

Subsequent events

In the case that events requiring a correction to be made occur subsequent, the Group makes the necessary corrections to the consolidated financial statements.

In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 40).

Statement of cash flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's activities.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with three months or less to maturity and do not have a significant risk of value change.

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

2.3 Critical Accounting Estimates, Assumptions and Decisions

2.3.1 Critical accounting estimates and assumptions

a) Deferred tax assets

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS published by POAASA and their statutory financial statements. The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations. The Group has recognized deferred tax assets amounting to TRY251,538 (31 December 2022: TRY122,471) arising from unused tax losses amounting to TRY62,389 (31 December 2022: TRY40,359) as of 31 December 2023, considering the future profit projections (Note 33).

b) Provision for doubtful trade receivables

The Group allocates a provision for doubtful receivables for the relevant trade receivables if there is objective evidence that there is no possibility of collection. Although the allowance for doubtful receivables is an accounting estimate based on customers' past payment performances and financial situations, the Group evaluates trade receivable aging and payment performance of customers and determines the allowance for doubtful receivables accordingly. The Group considers allocating provisions for receivables within the scope of these principles and whose maturity exceeds 1 year in the ordinary commercial activity cycle. However, considering the Group's ordinary commercial activity cycle, for trade receivables whose maturity extends beyond this ordinary commercial activity cycle, whether the trade receivable is under administrative and/or legal proceedings, whether it is secured or unsecured, whether there is an objective finding, etc. also evaluates the situations.

The Group recognizes an expected credit loss provision in an amount equal to the lifetime expected credit losses for its trade receivables within the scope of TFRS 9, in cases where the trade receivables are not impaired for certain reasons, together with the realized impairment losses. Expected credit loss provision calculation is made with the expected credit loss rate determined by the Group based on past credit loss experiences and forward-looking macroeconomic indicators. Changes in expected credit loss provisions are recorded in other income and expenses from operating activities. As of 31 December 2023, the Group has set aside provision for doubtful trade receivables for its receivables amounting to TRY116,282 (31 December 2022: TRY251,181) (Notes 9 and 10).

c) Impairment on receivables from finance sector operations

The Group reviews its financial assets classified as measured at fair value through other comprehensive income and measured at amortised cost at each balance sheet date in order to assess whether they are impaired in line with the accounting policies set out in Note 2.2.

The methodology and assumptions used for estimating both significant increase in credit risk and forward-looking information in Note 2.2 are discussed below.

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

2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)

2.3.1 Critical accounting estimates and assumptions (Continued)

Significant increase in credit risk

In the assessment of significant increase in credit risk quantitative and qualitative assessments are made.

Qualitative Assessment:

As a result of quantitative assessment, related financial asset is classified as Level 2 (significant increase in credit risk) when any of the following criteria are satisfied.

As of reporting date;

- Lifetime expected credit losses shall be recognised on a transaction base, when a past due status is reached. The Group can abandon this estimation only if it has positive, reasonable and supportable information available regarding the client's repayment.

- In case a loan has been restructured, it will be followed up under Level 2 during the follow-up period mentioned in the related regulations. The loan can be transferred back to Level 1 at end of the follow-up period if there is no significant deterioration.

Provisions on unindemnified non-cash loans are evaluated as significant increase in credit risk.

Quantitative assessment:

The probability of significant increase in credit risk under qualitative assessment is based on the comparison of probability of default of a loan in the origination and as of reporting date.

The Group uses distribution regression on segment basis in order to calculate the thresholds used in defining the significant increase in credit risk.

Prospective macroeconomic information

The Group incorporates forward-looking macroeconomic information into credit risk parameters during the assessment of significant increase in credit risk and expected credit loss calculation.

For the calculation of expected credit loss, the Group uses macroeconomic forecasting model developed in the level of creating multiple scenarios. Macroeconomic variables prevailing during this forecasting are Gross Domestic Product (GDP), Unemployment Rate, Foreign Trade Balance and Housing Price Index. When expected credit losses are estimated in accordance with the forward-looking macroeconomic information, the Group evaluates three scenarios (base, pessimistic and optimistic) with different weights. Each of these three scenarios is associated with different probability of default risk.

In cases where macroeconomic scenarios do not cover the long term, a process called mean convergence is applied for beyond the estimated period of macroeconomic variables.

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

2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)

2.3.2 Critical accounting estimates and assumptions (Continued)

d) Investment properties

Important assumptions of the Group Management regarding investment properties are disclosed in Note 14.

e) Impairment of subsidiaries

The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet. In addition to this, it is not expected that the costs incurred will have a significant impact on the consolidated financial statements (Note 4).

NOTE 3 - BUSINESS COMBINATIONS

Business combinations as of 31 December 2023:

Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. has purchased the shares of Zingat Gayrimenkul Bilgi Sistemleri A.Ş. ("Zingat"), representing its fully paid capital of 123,520,549 Turkish Liras (exact), by means of 100% participation and by paying cash. It was purchased and taken over on 18 December 2023. The purchase price was determined as TRY265,621,491 (exact).

In the consolidated statement of profit or loss, the acquisition date was 31 December 2023. If Zingat Gayrimenkul Bilgi Sistemleri A.Ş. had been included in the consolidation as of 1 January 2023, additional sales revenue of TRY38,279,577 would have been realized in the consolidated profit or loss statement for the accounting period of 1 January – 31 December 2023. The amounts in question were calculated taking into account the financial statements prepared in accordance with TFRS.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Acquisition of Zingat Gayrimenkul Bilgi Sistemleri A.Ş.

	Fair Value
Current assets	**16,013**
Cash and cash equivalents	6,525
Trade receivables	7,232
Other current assets	2,256
Non-current assets	**157,918**
Tangible fixed assets	240
Intangible fixed assets	157,678
Total Assets	**173,931**
Short-term liabilities	**19,911**
Short-term borrowings	7,850
Deferred income	12,061
Long-term liabilities	**2,209**
Deferred tax liabilities	2,209
Total Liabilities	**22,120**
Total Net Assets	**151,811**
Total transaction amount	265,621
Net asset value acquired	151,811
Goodwill	**113,810**

The reconciliation of cash flow as of the day of share purchase is presented below:

Total cash paid	265,621
Cash and cash equivalents acquired	6,525
Net cash outflow/(inflow)	**259,096**

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Business combinations as of 31 December 2022:

Acquisition of Maksipak Ambalaj Sanayi ve Ticaret A.Ş.

On 22 February 2022, Sesa Ambalaj purchased and transferred shares of Maksipak Ambalaj Sanayi ve Ticaret A.Ş. ("Maksipak") representing its fully paid capital of TRY3,000,000 by means of 70% participation and by paying partly with equity and partly with a bank loan. The purchase price was TRY308,246,790 (exact) (TRY132,611,868 (exact) from the purchasing power as of 31 December 2022).

In the consolidated profit or loss statement, Maksipak Ambalaj Sanayi ve Ticaret A.Ş.'s share in sales revenues from 28 February 2022, which is the closest financial statement date to the date of acquisition, until 31 December 2022, was TRY226,776. If Maksipak Ambalaj Sanayi ve Ticaret A.Ş. had been included in the consolidation as of 1 January 2022, additional sales income amounting to TRY419,195 would have been realized in the consolidated profit or loss statement for the accounting period of 1 January - 31 December 2022. These amounts have been calculated considering the financial statements prepared in accordance with TFRS.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Business combinations as of 31 December 2022:

Acquisition of Maksipak Ambalaj Sanayi ve Ticaret A.Ş. (Continued)

	Fair value
Current assets	**199,654**
Cash and cash equivalents	9,056
Trade receivables	128,494
Inventories	60,310
Other current assets	1,794
Non-current assets	**365,774**
Other receivables	235
Rights of use assets	2,989
Tangible assets	140,860
Intangible assets	220,065
Prepaid expenses	535
Deferred tax asset	1,090
Total Assets	**565,429**
Short-term liabilities	**169,528**
Short-term borrowings	57,927
Lease borrowings	2,601
Trade payables	99,820
Other short term liabilities	9,179
Long-term liabilities	**80,937**
Long-term borrowings	10,404
Lease borrowing	1,820
Long-term provisions	2,299
Deferred tax liability	66,414
Total Liabilities	**250,464**
Total Net Assets	**314,965**
Total transaction amount	308,247
Net asset value acquired	314,965
Non-controlling interests	94,490
Net asset value acquired	220,474
Goodwill	**87,773**

The reconciliation of cash flow as of the day of share purchase is presented below:

Total cash paid	308,247
Cash and cash equivalents acquired	(9,056)
Net cash outflow/(inflow)	**299,191**

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Business combinations as of 31 December 2022 (Continued):

Acquisition of Karel Elektronik Sanayi ve Ticaret A.Ş. (Continued)

By Öncü Girişim, one of the subsidiaries of the Group, a total of 80,000,000 shares corresponding to 40% of Karel Elektronik Sanayi ve Ticaret A.Ş.'s capital and 55.6% of voting rights; "Share Sale and Participation Agreement" and "Shareholders Agreement" ("Contracts") have been signed regarding the takeover of the seller by paying the total amount of TRY1,602,340,720 (exact) (TRY842,715,846 (exact) from the purchasing power at 31 December 2022) to the shareholders; The aforementioned share transfer transactions were completed as of 30 June 2022, upon the understanding that all closing procedures and conditions specified in the Contracts, including but not limited to the application made to the Capital Markets Board and the notification made to the Competition Authority, were fulfilled.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Business combinations as of 31 December 2022 (Continued):

Acquisition of Karel Elektronik Sanayi ve Ticaret A.Ş. (Continued)

The reconciliation of cash flow as of the day of share purchase is presented below:

	Fair value
Current assets	**5,526,236**
Cash and cash equivalents	341,575
Trade receivables	1,894,554
Other receivables	13,403
Derivative instruments	24,895
Inventories	2,611,620
Prepaid expenses	570,340
Current period tax asset	1,225
Other current assets	68,623
Non-current assets	**3,245,119**
Other receivables	95
Financial investment	19,634
Rights of use assets	61,592
Tangible assets	1,243,735
Intangible assets	1,860,376
Prepaid expenses	7,423
Deferred tax asset	52,264
Total Assets	**8,771,355**
Short-term liabilities	**5,146,457**
Short-term borrowings	2,660,326
Short-term portion of long- term borrowings	948,936
Lease borrowings	12,886
Trade payables	820,369
Payables related to employee benefits	69,097
Other payables	3,029
Deferred income	372,971
Corporate tax liabilities	15,453
Short term provisions	75,853
Capital advance	154,350
Other short term liabilities	13,188
Long-term liabilities	**748,414**
Long-term borrowings	47,235
Lease borrowing	56,639
Long-term provisions	128,953
Deferred tax liability	515,588
Total Liabilities	**5,894,872**
Total Net Assets	**2,876,483**
Total transaction amount	1,602,341
Net asset value acquired	1,050,733
Non-controlling interests	1,825,750
Goodwill	**551,608**
Total cash paid	1,602,341
Cash and cash equivalents acquired	(341,575)
Net cash outflow/(inflow)	**1,260,766**

If Karel Elektronik Sanayi ve Ticaret A.Ş. had been included in the consolidation as of 1 January 2022, additional sales income amounting to TRY6,384,327 would have been realized in the consolidated profit or loss statement for the accounting period of 1 January - 31 December 2022. These amounts have been calculated by considering the consolidated financial statements prepared in accordance with TFRS.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Joint ventures of Doğan Holding are presented below. Joint ventures nature of business, registered countries and entrepreneurial partners are summarized as following:

Joint venture	Country	Nature of business	Entrepreneurial partner
Aslancık Elektrik Üretim A.Ş. ("Aslancık Elektrik")	Turkey	Energy	AG Anadolu Grubu Holding A.Ş. ve Doğuş Holding A.Ş.
Boyabat Elektrik Üretim ve Ticaret A.Ş. ("Boyabat Elektrik")	Turkey	Energy	Unit Investment N.V. Doğuş Holding A.Ş.
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	Turkey	Magazine publishing	Burda GmbH
Gas Plus Erbil Ltd. ("Gas Plus Erbil")	Jersey	Energy	Newage Alzarooni Limited
Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul")	Turkey	Real estate management	Rönesans Gayrimenkul Yatırım A.Ş.
Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")	Turkey	Telecommunication	Koç Holding A.Ş.
Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")	Turkey	Planning	Burda GmbH
Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")	Turkey	Music and entertainment	Believe International
NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik")	Turkey	Internet services	Believe International

The table below represents the voting power and effective ownership interests of the Group and Doğan Family in joint ventures of the Group, as at 31 December 2023 and 2022:

	Proportion of voting power held by Doğan Holding and its subsidiary and joint ventures (%)		Proportion of voting power held by Doğan family members (%)		Total proportion of voting power held (%)		Proportion of effective ownership interest (%)	
Joint Ventures	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Aslancık Elektrik	33.33	33.33	-	-	33.33	33.33	33.33	33.33
Boyabat Elektrik	33.00	33.00	-	-	33.00	33.00	33.00	33.00
Doğan Burda (1)	38.40	39.39	-	-	38.40	39.39	38.40	39.39
Gas Plus Erbil (2)	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Kandilli Gayrimenkul	50.00	50.00	-	-	50.00	50.00	50.00	50.00
Ultra Kablolu	50.00	50.00	-	-	50.00	50.00	50.00	50.00
DPP	56.00	56.00	-	-	56.00	56.00	56.00	56.00
DMC	40.00	40.00	-	-	40.00	40.00	40.00	40.00
NetD Müzik	100.00	100.00	-	-	100.00	100.00	40.00	40.00

(1) Proportion of effective ownership interest of the related joint venture changed due to the sale of public shares directly owned by Doğan Holding.

(2) The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Profit and loss arising from the transactions between the Group's subsidiaries and its joint ventures are eliminated in accordance with the Group's share in its related subsidiary or its joint venture. The summary of the Group's share of the financial statements of the investments accounted for by the equity method as of 31 December 2023 and 31 December 2022 are as follows:

31 December 2023	**Total assets**	**Total liabilities**	**Net assets**	**Group's share on net assets/ liabilities**	**Net sales**	**Profit/(loss) for the period**	**Group's share on net profit/ (loss)**
DMC [1]	1,651,206	352,251	1,298,955	519,582	874,131	72,859	29,144
Kandilli Gayrimenkul	1,610,479	24,866	1,585,613	792,807	-	300,182	150,091
Doğan Burda	184,514	158,793	25,721	9,876	368,487	(6,732)	(2,585)
Ultra Kablolu	48,325	1,951	46,374	23,187	-	35,062	17,532
DPP [2]	2,235	4,202	(1,967)	-	8,938	(192)	(108)
Aslancık Elektrik [3]	3,895,500	1,154,240	2,741,260	913,662	813,411	1,804,899	601,574
Total	**7,392,259**	**1,696,303**	**5,695,956**	**2,259,114**	**2,064,967**	**2,206,078**	**795,648**
Boyabat Elektrik [3]	10,426,156	21,890,037	(11,463,881)	-	1,778,876	1,059,502	-

31 December 2022	**Total assets**	**Total liabilities**	**Net assets**	**Group's share on net assets/ liabilities**	**Net sales**	**Profit/(loss) for the period**	**Group's share on net profit/ (loss)**
Kandilli Gayrimenkul	1,553,267	269,068	1,284,199	642,100	-	594,665	297,333
Doğan Burda	168,299	120,897	47,402	18,670	300,047	(11,198)	(4,411)
Ultra Kablolu	11,066	43	11,023	5,513	-	(7,329)	(3,665)
DPP [2]	2,674	3,403	(728)	-	8,151	366	205
DMC [1]	1,433,109	205,729	1,227,380	490,952	981,587	68,382	27,352
Aslancık Elektrik [3]	2,635,675	1,971,243	664,432	221,455	920,494	156,669	52,218
Total	**5,804,090**	**2,570,383**	**3,233,708**	**1,378,690**	**2,210,279**	**801,555**	**369,032**
Boyabat Elektrik [3]	12,051,417	24,573,675	(12,522,257)	-	2,260,352	1,786,077	-

(1) The related amounts represent the consolidated financial statements of DMC and Net D Müzik.
(2) As of 31 December 2023, DPP has period loss amounting to TRY192 not reflected in the financial statements (31 December 2022: TRY124). The Group anticipates that unrecognized losses will not create additional liabilities for the Group.
(3) The Group's portion of net assets in Aslancık Elektrik has been accounted for in the consolidated financial statements, taking into account the amount of guarantees given within the scope of hydroelectric power plant project financing. The Group's share of Boyabat Elektrik for the period ended 31 December 2023 is TRY349,636 (31 December 2022: TRY589,405) and cumulatively TRY3,783,080 (31 December 2022: TRY4,132,345); The Group has fulfilled its obligations in cash and in lump sum in 2019.

The movements of investments accounted for by the equity method for the related period are as follows:

	2023	**2022**
1 January	**1,378,690**	**1,014,115**
Share of gain/(loss) on investments accounted for by the equity method	795,647	369,032
Capital increase	90,634	-
Disposal of joint venture	-	(333)
Other	(5,857)	(4,124)
31 December	**2,259,114**	**1,378,690**

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed financial information after consolidation adjustments of Joint Ventures are as follows:

Condensed statement of financial position:

31 December 2023	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	DPP	DMC	Total
Cash and cash equivalents	10,323	15,619	63	18,308	47,700	23	158,731	250,767
Other current assets	87,616	9,725	-	134,767	625	1,512	445,041	679,286
Other non-current assets	10,328,217	3,870,156	1,610,416	31,439		700	1,047,434	16,888,362
Total assets	**10,426,156**	**3,895,500**	**1,610,479**	**184,514**	**48,325**	**2,235**	**1,651,206**	**17,818,415**
Short-term borrowings	956,135	177,140	-	2,737	-	-	384	1,136,396
Other short-term liabilities	2,051,122	347,556	14	111,213	1,934	1,085	213,962	2,726,886
Long-term borrowings	18,002,164	626,887	-	44,843	-	-	211	18,674,105
Other long-term liabilities	880,616	2,657	24,852	-	17	3,117	137,694	1,048,952
Total liabilities	**21,890,037**	**1,154,240**	**24,866**	**158,793**	**1,951**	**4,202**	**352,251**	**23,586,339**
Net assets:	**(11,463,881)**	**2,741,260**	**1,585,613**	**25,721**	**46,374**	**(1,967)**	**1,298,955**	**(5,767,925)**
Group’s share	*0.33*	*0.33*	*0.50*	*0.38*	*0.50*	*0.56*	*0.40*	
Group’s net asset share	**-**	**913,662**	**792,807**	**9,876**	**23,187**	**-**	**519,582**	**2,259,114**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed statement of financial position (Contuinued):

31 December 2022	Boyabat Elektrik	Aslancık Elektrik	Kandilli Gayrimenkul	Doğan Burda	Ultra Kablolu	DPP	DMC	Total
Cash and cash equivalents	1,193,276	71,446	56	64,410	137	16	65,688	1,395,028
Other current assets	93,899	2,620	-	81,194	10,929	2,224	357,821	548,687
Other non-current assets	10,764,242	2,561,609	1,553,210	22,696	-	433	1,009,600	15,911,791
Total asstes	**12,051,417**	**2,635,675**	**1,553,267**	**168,299**	**11,066**	**2,674**	**1,433,109**	**17,855,507**
Short-term borrowings	2,006,565	1,240,089	-	1,822	-	-	374	3,248,851
Other short-term liabilities	1,872,313	727,115	23	81,548	15	733	198,691	2,880,438
Long-term borrowings	19,416,800	-	-	379	-	-	283	19,417,462
Other long-term liabilities	1,277,997	4,039	269,045	37,148	28	2,669	6,380	1,597,305
Total liabilities	**24,573,675**	**1,971,243**	**269,068**	**120,897**	**43**	**3,403**	**205,729**	**27,144,056**
Net assets:	**(12,522,257)**	**664,432**	**1,284,199**	**47,402**	**11,023**	**(728)**	**1,227,380**	**(9,288,549)**
Group's share	*0.33*	*0.33*	*0.50*	*0.39*	*0.50*	*0.56*	*0.40*	
Group's net asset share	**-**	**221,455**	**642,100**	**18,670**	**5,513**	**-**	**490,952**	**1,378,690**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

1 January - 31 December 2023	**Boyabat Elektrik**	**Aslancık Elektrik**	**Kandilli Gayrimenkul**	**Doğan Burda**	**Ultra Kablolu**	**DPP**	**DMC**
Revenue	1,778,876	813,411	-	368,487	-	8,938	874,131
Operating profit/(loss)	516,072	107,322	66,993	15,075	23,726	40	189,122
Net financial (expense)/income	(9,836,230)	(589,023)	-	1,562	-	(94)	(9,603)
Profit/(loss) before income tax	(9,320,158)	(481,701)	66,993	16,637	23,726	(54)	179,519
Total comprehensive income/(loss)	**1,059,502**	**1,804,899**	**300,182**	**(6,732)**	**35,062**	**(192)**	**72,859**
Group's share	*0.33*	*0.33*	*0.50*	*0.38*	*0.50*	*0.56*	*0.40*
Group's net share on profit/(loss)	**-**	**601,574**	**150,091**	**(2,585)**	**17,532**	**(108)**	**29,144**

1 January - 31 December 2022	**Boyabat Elektrik**	**Aslancık Elektrik**	**Kandilli Gayrimenkul**	**Doğan Burda**	**Ultra Kablolu**	**DPP**	**DMC**
Revenue	2,260,352	920,494	-	300,047	-	8,151	981,587
Operating profit/(loss)	1,153,335	65,965	794,639	14,210	(213)	155	187,016
Net financial (expense)/income	(9,240,782)	(619,737)	-	81	-	(7)	(372)
Profit/(loss) before income tax	(8,087,447)	(553,772)	794,639	14,291	(213)	148	186,643
Total comprehensive income/(loss)	**1,786,077**	**156,669**	**594,665**	**(11,198)**	**(7,329)**	**366**	**68,382**
Group's share	*0.33*	*0.33*	*0.50*	*0.38*	*0.50*	*0.56*	*0.40*
Group's net share on profit/(loss)	**-**	**52,218**	**297,333**	**(4,411)**	**(3,665)**	**205**	**27,352**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING

a) External revenue

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity generation	1,859,033	2,296,830
Industry and trade	17,422,125	14,674,893
Automotive trade and marketing	20,075,360	6,433,243
Finance and investment	10,362,818	3,605,221
Internet and entertainment	2,064,175	1,934,121
Real estate investments	781,937	661,695
	52,565,448	**29,606,003**

b) Profit/(loss) before income tax

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity generation	1,652,440	1,684,298
Industry and trade	532,752	1,678,490
Automotive trade and marketing	807,419	427,532
Financing and investment	(3,826,384)	(4,671,318)
Internet and entertainment	262,819	271,012
Real estate investments	3,409,818	321,508
	2,838,864	**(288,478)**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Contiuned)

c) Segmental analysis for the period ended as of 1 January – 31 December 2023:

	Petroleum Products Retail	Elecricity Generation	Industry and Trade	Automotive Trade and Marketing	Finance and Investment	Internet and Entertainment	Real Estate Investments	Inter-Segment Elimination	Total
External revenue	-	1,859,033	17,422,125	20,075,360	10,362,818	2,064,175	781,937	-	52,565,448
Inter-segment revenue	-	-	40,814	44,411	421,373	1,120	30,056	(537,774)	-
Total revenue	**-**	**1,859,033**	**17,462,939**	**20,119,771**	**10,784,191**	**2,065,295**	**811,993**	**(537,774)**	**52,565,448**
Revenue	-	1,859,033	17,462,939	20,119,771	10,784,191	2,065,295	811,993	(537,774)	52,565,448
Cost of sales	-	(755,254)	(15,126,375)	(16,742,112)	(8,395,999)	(1,080,973)	(610,743)	(270,193)	(42,981,649)
Gross profit/(loss)	**-**	**1,103,779**	**2,336,564**	**3,377,659**	**2,388,192**	**984,322**	**201,250**	**(807,967)**	**9,583,799**
Research and development expenses	-	-	(192,171)	-	(43,730)	(2,902)	-	-	(238,803)
General administrative expenses	-	(62,963)	(457,530)	(207,318)	(1,165,962)	(284,561)	(91,564)	122,953	(2,146,945)
Marketing expenses	-	(25,751)	(999,854)	(1,382,533)	(137,716)	(392,410)	(31,228)	21,834	(2,947,658)
Share of gain/(loss) on investments accounted for by the equity method	-	601,573	-	-	-	43,983	150,091	-	795,647
Other income/(expenses) from operating activities, net	-	390,150	347,057	(374,581)	3,595,489	27,856	2,512,313	(39,465)	6,458,819
Income/(expenses) from investment activities, net	-	60,276	(11,074)	24,175	7,623,489	14,131	13,160		7,724,157
Financial income/(expense), net	-	(343,546)	(2,362,142)	(1,047,679)	(850,614)	(31,168)	(14,625)	118,496	(4,531,278)
Net monetary gain/(loss)	-	(71,078)	1,871,902	417,696	(15,235,532)	(96,432)	670,421	(24,851)	(12,467,874)
Profit/(loss) before taxation from continued operations	**-**	**1,652,440**	**532,752**	**807,419**	**(3,826,384)**	**262,819**	**3,409,818**	**(609,000)**	**2,229,864**
Profit/(loss) before taxation from discontinued operations	**(482,709)**	**-**	**-**	**-**	**-**	**-**	**(252,096)**	**-**	**(734,805)**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Contiuned)

c) Segmental analysis for the period ended as of 1 January – 31 December 2022:

	Petroleum Products Retail	Electricity Production	Industry and Trade	Automotive Trade and Marketing	Finance and Investment	Internet and Entertainment	Real Estate Investments	Inter-Segment Elimination	Total
External revenue	-	2,296,830	14,674,893	6,433,243	3,605,221	1,934,121	661,695	-	29,606,003
Inter-segment revenue	-	-	35,082	37,057	147,661	191	38,563	(258,554)	-
Total revenue	**-**	**2,296,830**	**14,709,975**	**6,470,300**	**3,752,882**	**1,934,312**	**700,258**	**(258,554)**	**29,606,003**
Revenue	-	2,296,830	14,709,975	6,470,300	3,752,882	1,934,312	700,258	(258,554)	29,606,003
Cost of sales	-	(717,103)	(14,201,322)	(5,361,100)	(2,971,050)	(990,226)	(522,765)	70,178	(24,693,388)
Gross profit/(loss)	**-**	**1,579,727**	**508,653**	**1,109,200**	**781,832**	**944,086**	**177,493**	**(188,376)**	**4,912,615**
Research and development expenses	-	-	(119,933)	-	-	-	-	-	(119,933)
General administrative expenses	-	(45,303)	(367,435)	(95,310)	(835,365)	(277,181)	(923)	65,236	(1,556,281)
Marketing expenses	-	(21,850)	(902,555)	(521,168)	(33,609)	(386,138)	(37,027)	25,440	(1,876,907)
Share of gain/(loss) on investments accounted for by the equity method	-	52,218	-	-	-	19,481	297,333	-	369,032
Other income/(expenses) from operating activities, net	-	310,865	256,715	157,493	1,957,142	82,559	967,912	(3,164)	3,729,522
Income/(expenses) from investment activities, net	-	11,163	(39,033)	6,739	3,163,315	(395)	92,247	-	3,234,036
Financial income/(expense), net	-	(288,247)	(1,730,590)	(469,920)	(1,067,729)	(26,501)	(245)	65,346	(3,517,886)
Net monetary gain/(loss)	-	85,725	4,072,668	240,498	(8,636,904)	(84,899)	(1,175,282)	35,518	(5,462,676)
Profit/(loss) before taxation from continued operations	**-**	**1,684,298**	**1,678,490**	**427,532**	**(4,671,318)**	**271,012**	**321,508**	**-**	**(288,478)**
Profit/(loss) before taxation from discontinued operations	**913,727**	**-**	**-**	**-**	**-**	**-**	**1,208,056**	**-**	**2,121,783**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Continued)

d) Segment assets

Total assets	31 December 2023	31 December 2022
Petroleum products retail	-	10,588,938
Electricity generation	9,163,596	8,664,349
Industry and trade	16,722,133	17,996,909
Automotive trade and marketing	12,277,655	3,871,950
Finance and investment	59,147,412	44,789,218
Internet and entertainment	3,339,408	2,198,159
Real estate investments	12,013,787	9,153,511
Total	**112,663,991**	**97,263,034**
Less: Segment elimination	(19,246,268)	(13,457,468)
Total assets per consolidated financial statements	**93,417,723**	**83,805,566**

Equity	31 December 2023	31 December 2022
Petroleum products retail	-	4,146,299
Electricity generation	7,061,824	6,925,170
Industry and trade	7,425,020	6,571,278
Automotive trade and marketing	2,845,958	1,389,466
Finance and investment	42,284,889	40,287,340
Internet and entertainment	2,534,072	1,996,612
Real estate investments	10,834,940	9,514,831
Total	**72,986,703**	**70,830,996**
Less: Segment elimination	(17,690,110)	(20,121,129)
Total shareholders' equity per consolidated financial statements	**55,296,593**	**50,709,867**
Non-controlling interests	6,869,782	9,451,760
Equity attributable to equity holders of the parent company	**48,426,811**	**41,258,107**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING (Continued)

e) Purchase of property, plant and equipment, intangible assets and investment properties and depreciation and amortization expenses for the period

	1 January 31 December 2023	1 January 31 December 2022
Purchases		
Petroleum products retail	359,275	296,515
Electricity generation	1,363,220	181,157
Industry and trade	1,979,252	438,030
Automotive trade and marketing	1,447,982	768,600
Financing and investment	304,364	96,086
Internet and entertainment	427,697	238,649
Real estate investments	56,462	123,517
Total	**5,938,252**	**2,142,554**

	1 January 31 December 2023	1 January 31 December 2022
Depreciation and amortization		
Petroleum products retail	23,693	349,683
Electricity generation	456,019	449,447
Industry and trade	2,315,698	576,156
Automotive trade and marketing	363,801	211,091
Financing and investment	76,171	77,455
Internet and entertainment	303,379	364,607
Real estate investments	127,168	103,095
Total	**3,665,929**	**2,131,534**

NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023			31 December 2022		
	Finance	Non-finance	Total	Finance	Non-finance	Total
Cash	20	731	750	12	4,449	4,461
Banks						
- Demand deposits	119,133	2,067,420	2,186,553	25,723	2,690,936	2,716,659
- Time deposits	2,900,135	6,887,371	9,787,506	2,189,011	6,575,615	8,764,625
Other cash equivalents	94,735	53,514	148,249	-	130,027	130,027
	3,114,023	**9,009,035**	**12,123,058**	**2,214,746**	**9,401,027**	**11,615,772**

As of 31 December 2023, TRY148,249 (31 December 2022: TRY130,027) of other liquid assets consists of credit card receivables. As of 31 December 2023, blocked deposits amount to TRY797,420 (31 December 2022: TRY564,240).

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 6 - CASH AND CASH EQUIVALENTS (Continued)

The cash and cash equivalents shown in the consolidated cash flow statements as of 31 December 2023, 31 December 2022 and 31 December 2021 are shown below:

	31 December 2023	31 December 2022	31 December 2021
Cash and cash equivalents	12,123,058	11,615,772	12,575,756
Accrued interest (-)	(22,837)	(23,245)	(22,076)
Cash and cash equivalents	**12,100,221**	**11,592,527**	**12,553,680**

	31 December 2023	31 December 2022
Central Bank of the Republic of Turkey ("CBRT") account	153,736	63,050
- Required reserves (*)	90,650	62,800
- Deposits	63,086	250
	153,736	**63,050**

(*) Banks established in Turkey or operating in Turkey by opening branches are subject to the Central Bank's Communiqué on Required Reserves numbered 2013/15. The amount to be found as a result of deducting the deductible items specified in the Communiqué from the total domestic liabilities of the banks and the deposits/borrowing funds they accept from Turkey on behalf of their branches abroad constitute their liabilities subject to reserve requirements. According to the CBRT's "Communiqué on Required Reserves", banks operating in Turkey have rates varying between 3% and 30% for Turkish currency deposits and liabilities as of the balance sheet date, and for foreign currency deposits and other liabilities in foreign currency. They establish required reserves at rates between 5% and 30%, depending on their maturities, and between 22% and 26% for gold liabilities, depending on the maturities of the deposits.

NOTE 7 - FINANCIAL INVESTMENTS

a) Short-term financial investments

The Group's financial assets classified as short-term financial investments are as follows:

	31 December 2023	31 December 2022
Financial assets carried at fair value through other comprehensive income (1)		
- Private sector and government bills and bonds	*12,994,061*	*6,209,271*
- Private sector stocks	*54,156*	*59,147*
Financial assets carried at fair value through profit or loss		
- Investment funds and other short-term financial investments (2)	*9,196,627*	*10,281,664*
	22,244,844	**16,550,082**

(1) 6% of financial investments consist of government and 94% private sector bonds and bills (31 December 2022: 10% government and 90% private sector).

(2) A significant portion of mutual funds in short-term financial investments consists of money market and stock funds and various structured financial instruments.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

The movements of short-term financial investments for the related period are as follows:

	2023	2022
1 January	**16,550,082**	**13,740,154**
Purchase of financial investments	13,088,778	12,265,029
Change in fair value	514,586	(218,375)
Recognized in the statement of income	*98,891*	*19,868*
Recognized in the statement of other comprehensive income	*415,695*	*(238,243)*
Financial investment disposal	(5,955,615)	(5,148,133)
Interest accrual	76,181	419,339
Currency translation differences	3,071,889	867,829
Disposal of subsidiary	(564,901)	-
Monetary gain/loss	(4,536,156)	(5,375,761)
31 December	**22,244,844**	**16,550,082**

b) Long-term financial investments

The Group's financial assets classified as long-term financial investments are as follows:

	31 December 2023		31 December 2022	
	TRY	**(%)**	**TRY**	**(%)**
Financial assets carried at fair value through other comprehensive income [1]				
Lexin Nassau L.P.	*437,733*	*22.15*	*431,549*	*22.15*
Financial assets carried at fair value through profit or loss [1]				
Mediterra Capital Partners I LP	*53,998*	*1.88*	*47,329*	*1.88*
Insider SG PTE Limited	*1,076,250*	*2.26*	*753,302*	*2.26*
Mediterra Capital Partners II LP	*214,189*	*3.11*	*184,180*	*3.11*
Düş Yeri Bilişim Teknolojileri ve Animasyon A.Ş.	*31,278*	*4.42*	*53,733*	*4.42*
Collective Spark Fund BV	*10,882*	*0.77*	*7,732*	*0,77*
Evreka Yazılım Donanım Danışmanlık Eğitim Sanayi ve Ticaret A.Ş.	*13,736*	*3.76*	*22,634*	*3.76*
Pubinho, Inc,	*11,039*	*5.00*	*11,554*	*5.00*
İstanbul Portföy Yönetimi A.Ş. - TechOne Girişim Sermayesi Yatırım Fonu	*18,620*	-	*1,355*	-
Arya Girişim Sermayesi Fonu	*2,576*	*2.43*	-	-
	1,870,301		**1,513,368**	

[1] As the following situations are not present, the Group does not carry out any significant activities on the subsidiary:

- Being represented by the board of directors or similar executive body of the invested entity.
- Participating in the entity's policy determination processes including dividends or other distribution decisions.
- Carrying out important transactions between the investor and invested entities.
- Providing know-how required for business operations or administrative officer exchange between entities.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

The movements of long-term financial investments for the related period are as follows:

	2023	**2022**
1 January	**1,513,368**	**987,763**
Change in fair value	453,629	521,950
Recongnized in equity	*20,510*	*(103,782)*
Recognized in the statement of income	*433,119*	*625,732*
Currency translation differences	155,308	129,873
Purchase of financial investments	4,605	18,529
Capital increase	-	82,719
Financial investment disposal	(8,470)	(5,689)
Acquisition of subsidary (Note 3)	-	19,634
Monetary gain/loss	(248,139)	(241,411)
31 December	**1,870,301**	**1,513,368**

NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS

Financial Borrowings

The details of financial borrowings as of 31 December 2023 and 31 December 2022 are as follows:

Short-term borrowings:	**31 December 2023**	**31 December 2022**
Short-term bank borrowings	11,159,521	11,224,511
Bonds	2,756,631	1,995,220
Total	**13,916,152**	**13,219,731**

Short-term portions of long-term borrowings:	**31 December 2023**	**31 December 2022**
Short-term portions of long-term bank borrowings	1,467,594	1,855,664
Lease borrowings from non-related parties	296,073	222,394
Lease borrowings from related parties	15,701	29,316
Total	**1,779,368**	**2,107,374**

Long-term borrowings:	**31 December 2023**	**31 December 2022**
Long-term bank borrowings	4,739,455	3,427,353
Lease borrowings from non-related parties	449,715	849,217
Lease borrowings from related parties	3,397	20,669
Total	**5,192,567**	**4,297,239**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

a) Bank borrowings and bonds

Details of the bank borrowings and bonds as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023			31 December 2022		
	Interest rate per annum (%)	**Original currency**	**TRY**	**Interest rate per annum (%)**	**Original currency**	**TRY**
Short-term bank borrowings:						
TRY denominated bank borrowings	4.08 – 52.00	4,653,617	4,653,617	1.10 – 45.50	9,146,606	9,146,606
USD denominated bank borrowings	7.00 – 15.50	140,677	4,148,748	2.05 – 13.65	49,819	1,537,677
EUR denominated bank borrowings	2.05 – 12.25	71,288	2,326,313	2.50 – 10.25	14,358	472,472
Other	6.00	7,401	30,843	4.00	1,819	67,756
Subtotal			**11,159,521**			**11,224,511**
Short-term bonds:						
TRY denominated bonds			2,756,631			1,995,220
Subtotal			**13,916,152**			**13,219,731**
Short-term portion of long-term bank borrowings:						
TRY denominated bank borrowings	4.00 – 20.00	276,930	276,930	1.98 – 45.50	989,956	989,956
USD denominated bank borrowings	1.28 – 4.15	26,584	783,997	1.23 – 13.65	12,669	391,032
EUR denominated bank borrowings	0.65 – 9.67	12,462	406,667	0.65 – 8.30	14,425	474,676
Subtotal			**1,467,594**			**1,855,664**
Total short-term bank borrowings and bonds			**15,383,746**			**15,075,396**
Long term bank borrowings:						
TRY denominated bank borrowings	4.00 – 20.00	284,055	286,067	1.98 – 45.50	778,937	778,937
USD denominated bank borrowings	1.28 – 4.15	116,551	3,437,241	1.23 – 13.65	40,413	1,247,357
EUR denominated bank borrowings	0.65 – 9.67	31,139	1,016,147	0.65 – 8.30	42,577	1,401,059
Total long-term bank borrowings			**4,739,455**			**3,427,353**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

b) Lease borrowings

Details of the lease borrowings as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023			31 December 2022		
	Interest rate per annum (%)	Original currency	TRY	Interest rate per annum (%)	Original currency	TRY
Short-term portion of long-term lease borrowings:						
TRY denominated lease borrowings from related parties	11.16 – 29.62	15,701	15,701	11.16 – 29.62	29,316	29,316
TRY denominated lease borrowings from non- related parties	11.16 – 29.62	296,073	296,073	11.16 – 29.62	222,395	222,394
Total short-term lease borrowings			**311,774**			**251,710**
Long-term lease borrowings:						
TRY denominated lease borrowings from related parties	11.16 – 29.62	3,397	3,397	11.16 – 29.62	12,303	20,272
TRY denominated lease borrowings from non-related parties	11.16 – 29.62	449,715	449,715	11.16 – 29.62	515,386	849,217
Total long-term lease borrowings			**453,112**			**869,489**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

The movement table of the lease borrowings is as follows:

	31 December 2023	31 December 2022
Beginning of the period	1,121,596	799,310
Additions	437,425	895,300
Payments	(320,134)	(378,218)
Interest expense (Note 31)	123,199	70,122
Foreign exchange gains/(losses)	-	712
Remeasurement	177,592	81,320
Early termination	-	(113)
Acquisition of subsidiary (Note 3)	-	73,913
Disposal of subsidiary	(311,533)	(2,486)
Monetary (gain)/loss	(463,259)	(418,264)
	764,886	**1,121,596**

The reconciliation of the net financial borrowings as of 31 December 2023 and 31 December 2022 are as follows

	31 December 2023	31 December 2022
Cash and cash equivalents (Note 6)	12,123,058	11,615,772
Short-term borrowings	(15,383,746)	(15,075,396)
Long-term borrowings	(4,739,455)	(3,427,353)
Short term lease borrowings	(311,774)	(251,710)
Long term lease borrowings	(453,112)	(869,886)
Net financial assets/(liabilities)	**(8,765,029)**	**(8,008,573)**

	Short and long term borrowings	Lease borrowings	Cash and cash equivalents	Net financial liabilities
1 January 2023	**18,502,748**	**1,121,596**	**(11,615,771)**	**8,008,573**
Cash flow effect	7,976,700	(320,133)	3,410,764	11,067,331
Lease agreements	-	615,016		615,016
Currency translation adjustments	2,738,317	-	(1,137,536)	1,600,781
Interest accrual	1,635,198	123,199	22,837	1,781,234
Disposal of subsidiary (Note 32)	(1,228,476)	(311,533)	1,762,856	222,847
Monetary (gain)/loss	(9,501,286)	(463,259)	(4,566,208)	(14,530,753)
31 December 2023	**20,123,201**	**764,886**	**(12,123,058)**	**8,765,029**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

	Short and long term borrowings	**Lease borrowings**	**Cash and cash equivalents**	**Net financial liabilities**
1 January 2022	**11,806,014**	**799,310**	**(12,575,756)**	**30,242**
Cash flow effect	7,630,922	(459,925)	(5,692,435)	1,477,888
Lease agreements	-	976,545	-	976,545
Currency translation adjustments	1,206,996	-	1,295,657	2,502,653
Interest accrual, net	1,349,472	152,503	27,105	1,529,080
Acquisition of subsidiary (Note 3)	3,751,481	73,913	(352,548)	3,472,846
Disposal of subsidiary (Note 32)	(745,928)	(2,486)	104,208	(644,206)
Monetary (gain)/loss	(6,496,209)	(418,264)	5,577,998	(1,336,475)
31 December 2022	**18,502,748**	**1,121,596**	**(11,615,771)**	**8,008,573**

The repayment schedule of long-term bank borrowings as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	**31 December 2022**
2024	-	1,320,166
2025	4,004,123	1,222,292
2026 and after	735,332	884,895
Total	**4,739,455**	**3,427,353**

Carrying value of the financial liabilities is considered to be same with the fair value since discount effect is not material, The Group borrows loans on fixed and floating interest rates.

Allocation of borrowings with fixed and floating interest rates of the Group excluding financial liabilities to be paid to the suppliers as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	**31 December 2022**
Financial borrowings with fixed interest rates (Note 36)	19,221,066	17,988,513
Financial borrowings with floating interest rates (Note 36)	1,667,280	1,635,831
Total	**20,888,346**	**19,624,344**

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables from non - related parties

	31 December 2023	31 December 2022
Trade receivables	5,105,859	6,337,445
Notes and cheques receivable	318,522	2,333,028
Income accruals	46,511	33,537
Total	**5,470,892**	**8,704,010**
Less: Unrealized financial income due to sales with maturity (-)	(809)	(158,904)
Less: Provision for expected credit losses (-)	(4,403)	(7,141)
Less: Provision for doubtful receivables (-)	(69,942)	(160,799)
Total	**5,395,738**	**8,377,166**

Long-term trade receivables from non- related parties

	31 December 2023	31 December 2022
Notes and cheques receivable (1)	-	29,730
Unrealized financial income due to sales with maturity	-	(8,598)
	-	**21,132**

(1) Long term notes receivables mostly consist of receivables due form petroleum products retail activites.

Movement of provisions for doubtful receivables for the related periods are as follows:

	2023	2022
1 January	**(167,940)**	**(217,451)**
Provisions made from continuing operations during the period	(87,301)	(33,456)
Expected credit loss, net	2,737	(7,436)
Written off uncollectible receivables	23,256	12,751
Acquisition of subsidiary	43,587	23,499
Monetary (gain)/loss	111,315	54,153
31 December	**(74,346)**	**(167,940)**

(2) The Group has decided to derecognise the receivables recorded as doubtful within prior periods, in accordance with the provisional article 7 of TCC, which are from the companies extracted from trade registry and the companies that have completed ordinary liquidation process and the companies dissolved by commercial courts’ decision and the companies dissolved by bankruptcy estate and also determined as bad debts, from the statement of financial position.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Guarantees for trade receivables

As of 31 December 2023, overdue trade receivables amounting to TRY 380,918 (31 December 2022: TRY 484,218) were not assessed as doubtful receivables (Note 36). The Group does not foresee any collection risk regarding the overdue receivables, considering sector dynamics and circumstances as of the reporting date (Note 2).

As of 31 December 2023, the Group has collateral, pledge, mortgage and guarantees amounting to TRY5,422,461 (31 December 2022: TRY6,633,515) for trade receivables amounting to TRY502,995 (31 December 2022: TRY 2,289,170) from non-related parties (Note 36).

Short term trade payables to non-related parties

	31 December 2023	31 December 2022
Trade payables	2,370,889	4,704,702
Provisions for liabilities and expenses	84,622	134,786
Cheques and notes payables	452,925	76,460
Less: Unrealized finance expense due to purchases with maturity (-)	-	(7,960)
Total	**2,908,437**	**4,907,988**

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

	31 December 2023	31 December 2022
Short-term receivables from finance sector operations	4,776,621	3,032,322
	4,776,621	**3,032,322**

The breakdown of receivables from finance sector operations are as follows:

31 December 2023	Corporate and commercial loans	Financial loans	Factoring receivables	Total
Level 1	1,453,317	-	3,324,587	4,777,904
Level 2	-	-	-	-
Level 3	-	-	40,653	40,653
Gross	**1,453,317**	**-**	**3,365,240**	**4,818,557**
Level 1 and 2	-	-	-	-
Level 3	-	-	(41,936)	(41,936)
Expected credit losses (-)	-	-	**(41,936)**	**(41,936)**
Net	**1,453,317**	**-**	**3,323,304**	**4,776,621**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

31 December 2022	Corporate and commercial loans	Financial loans	Factoring receivables	Total
Level 1	554,117	-	2,477,255	3,031,372
Level 2	-	-	951	951
Level 3	-	-	78,547	78,546
Gross	**554,117**	**-**	**2,556,753**	**3,110,869**
Level 1 and 2	-	-	-	-
Level 3	-	-	(78,547)	(78,547)
Expected credit losses (-)	**-**	**-**	**(78,547)**	**(78,547)**
Net	**554,117**	**-**	**2,478,206**	**3,032,322**

Movements of expected credit losses are as follows:

2023	Corporate and commercial loans	Financial loans	Factoring receivables	Total
Beginning of term - 1 January	**-**	**-**	**115,271**	**115,271**
Impact of business combinations	-	-	-	-
Increase during the period (Note 29)	-	-	43,529	43,529
Collections	-	-	(116,864)	(116,864)
Written off receivables	-	-	-	-
Disposals due to portfolio sale	-	-	-	-
Currency translation differences	-	-	-	-
End of term – 31 December	**-**	**-**	**41,936**	**41,936**

2022	Corporate and commercial loans	Financial loans	Factoring receivables	Total
Beginning of term - 1 January	**-**	**460**	**111,479**	**111,939**
Impact of business combinations	-	-	-	-
Increase during the period (Note 29)	-	-	-	-
Collections	-	-	12,458	12,458
Written off receivables	-	-	-	-
Disposals due to portfolio sale	-	(327)	-	(327)
Currency translation differences	-	(133)	(45,390)	(45,523)
End of term – 31 December	**-**	**-**	**78,547**	**78,547**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

	31 December 2023	31 December 2022
Short-term liabilities from finance sector operations	788,533	354,689
	788,533	**354,689**

Details of payables due from finance sector operations are as follows:

	31 December 2023			31 December 2022		
	Demand Deposit	Time Deposit	Total	Demand Deposit	Time Deposit	Total
Turkish lira deposit						
Savings deposit	-	-	-	-	-	-
Commercial deposit	785,952	-	785,952	354,689	-	354,689
Interbank deposits	-	-	-	-	-	-
Funds from repo transactions	-	-	-	-	-	-
Public sector deposit	-	-	-	-	-	-
	785,952	**-**	**785,952**	**354,689**	**-**	**354,689**

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

Other short-term receivables from non-related parties

	31 December 2023	31 December 2022
Guarantees given within the scope of financial sector activities	58,337	247,736
Deposits and guarantees given	9,090	55,680
Other receivables	494,877	49,885
Total	**562,305**	**353,301**

Other short-term payables due to non-related parties

	31 December 2023	31 December 2022
Taxes and funds payable	439,047	243,320
Deposits and guarantees received	4,494	5,620
Guarantees given within the scope of financial sector activities	3,408	8,208
Other short-term payables	171,530	12,694
Total	**618,479**	**269,842**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other long-term payables due to non-related parties

	31 December 2023	31 December 2022
Deposits and guarantees received	12,696	8,759
Other long-term payables	11,057	148,945
Total	**23,753**	**157,704**

NOTE 12 - INVENTORIES

	31 December 2023	31 December 2022
Finished goods and merchandise	5,771,126	4,944,141
Raw materials and supplies	1,606,804	2,092,774
Semi-finished goods	559,297	650,735
Other inventories	188,813	88,392
Provision for impairment of inventory (-)	(35,476)	(50,901)
Total	**8,090,564**	**7,725,141**

Movement for the provision recognized for impairment of inventory for the periods ended 31 December 2023 and 2022 are as follows:

	2023	2022
1 January	**(50,901)**	**(29,793)**
Reversal of provision for impairment of inventories	15,425	697
Provision booked in the current period	-	(21,806)
31 December	**(35,476)**	**(50,901)**

NOTE 13 - BIOLOGICAL ASSETS

As of 31 December 2023, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY58,943 (31 December 2022: TRY44,279).

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 14 - INVESTMENT PROPERTIES

The movement of investment properties for the periods ended 31 December 2023 and 2022 are as follows:

	1 January 2023	Effect of land share purchases (1)	Disposals (2)	Disposal of subsidiary	Transfers(3)	Currency translation differences	Fair value adjustment (4)	31 December 2023
Land	1,016,137	-	-	(205,272)	-	(5,865)	1,130	806,129
Buildings	3,335,508	-	-	-	(166,908)	-	1,479,350	4,647,950
Net book value	**4,351,645**	**-**	**-**	**(205,272)**	**(166,908)**	**(5,865)**	**1,480,480**	**5,454,079**

	1 January 2022	Effect of land share purchases (1)	Disposals (2)	Disposal of subsidiary	Transfers(3)	Currency translation differences	Fair value adjustment (4)	31 December 2022
Land	2,285,477	540,572	(3,055,153)	-	-	159,650	1,085,591	1,016,137
Buildings	3,142,037	-	-	-	(489,257)	-	682,728	3,335,508
Net book value	**5,427,514**	**540,572**	**(3,055,153)**	**-**	**(489,257)**	**159,650**	**1,768,319**	**4,351,645**

(1) The amount of the shares purchased from non-group shareholders of "Ömerli Arazisi", which is accounted as "Investment Properties" by the Group.

(2) The land registry procedures for the purchase of the Ömerli Land property, which is accounted by the Group as "investment properties" has been completed for USD99,893,084 (exact), equal to TRY1,853,656,023.94 (exact), on 5 October 2022 (Note 32).

(3) The building value equivalent to m^2 belonging to the Group companies renting office space in the Trump Office Center owned by D Gayrimenkul, one of the subsidiaries of the Group, has been transferred to fixed assets.

There is no collateral or mortgage on investment properties of the Group.

As of 31 December 2023, the investment properties consist of rental building units, real estates and land.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 14 - INVESTMENT PROPERTIES (Continued)

As of 31 December 2023, investment properties consist of the Group's rented building sections, real estate and lands.

Level classification of financial assets and liabilities measured at fair value

Investment properties of the Group has been valued by the real estate valuation establishments those are in the CMB list by using the market comparison analysis approach, cost approach and direct capitalisation approach methods. As a result, it was determined that the values calculated from different approaches is similar and consistent with the market comparison method and value has been determined according to the market comparison method. Real estate valuation establishments are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in related regions.

The following table gives information on how the fair values of the related financial asset and liabilities were determined:

	Fair value		**Fair value level as of the reporting date**		
	31 December 2023	**31 December 2022**	**1. Level**	**2. Level**	**3. Level**
Investment properties	5,454,079	4,351,645	-	5,454,079	-

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the periods ended 31 December 2023 and 2022 are as follows:

	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	Disposal of subsidiary[1]	Acquisition of subsidiary	31 December 2023
Cost:								
Land and land improvements	515,074	19,563	(743)	7,270	185	(253,603)	-	287,746
Buildings	2,197,050	271,145	-	173,233	52	(192,567)	-	2,448,913
Machinery and equipment	9,669,660	746,520	(5,616)	653,539	67,173	(1,317,216)	-	9,814,060
Motor vehicles	2,385,522	1,321,067	(718,507)	-	6,636	(176,925)	-	2,817,793
Furniture and fixtures	842,951	314,352	(31,499)	-	8,224	(90,776)	-	1,043,252
Development costs of leased tangible assets	1,656,071	147,411	(15,664)	(6,190)	21,372	(1,652,040)	-	150,960
Other tangible assets	1,402,567	59,932	(37)	-	(737)	(182,850)	-	1,278,875
Construction in progress	273,771	1,397,089	(831)	(667,144)	(799)	(15,407)	-	986,679
	18,942,666	**4,277,079**	**(772,897)**	**160,708**	**102,106**	**(3,881,384)**	**-**	**18,828,278**
Accumulated depreciation:								
Land improvements	105,909	11,814	-	-	69	-	-	117,792
Buildings	696,954	32,497	-	-	29	(192,153)	-	537,327
Machinery and equipment	4,003,557	1,451,946	(5,035)	-	48,441	(1,261,967)	-	4,236,942
Motor vehicles	891,389	460,836	(137,560)	-	6,019	(155,931)	-	1,064,753
Furniture and fixtures	449,549	161,093	(30,998)	-	7,015	(70,441)	-	516,218
Development costs of leased tangible assets	574,043	87,403	(14,264)	-	16,003	(53,531)	-	609,654
Other tangible assets	1,019,004	36,248	(37)	-	(1,387)	(1,029,932)	-	23,896
	7,740,405	**2,241,837**	**(187,894)**	**-**	**76,189**	**(2,763,955)**	**-**	**7,106,582**
Net book value	**11,202,261**							**11,721,696**

1) Details are explained in Note 32.

As of 31 December 2023, there is no mortgage on property, plant and equipment (31 December 2022: None). As of 31 December 2023, there is no property, plant and equipment acquired by financial leasing (31 December 2022: None). As of 31 December 2022, there is no capitalized borrowing costs in tangible fixed asset (31 December 2022: None).

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2022	**Additions**	**Disposals**	**Transfers**	**Currency translation differences**	**Disposal of subsidiary[1]**	**Acquisition of subsidiary**	**31 December 2022**
Cost:								
Land and land improvements	514,858	5,962	-	-	-	(5,746)	-	515,074
Buildings	1,704,630	16,560	(1,172)	489,257	222	(12,447)	-	2,197,050
Machinery and equipment	8,899,638	150,496	(28,589)	3,090	46,468	(153,521)	752,078	9,669,660
Motor vehicles	1,592,870	840,270	(462,102)	-	5,115	(1,263)	410,632	2,385,522
Furniture and fixtures	695,467	80,951	(14,415)	-	1,264	(15,698)	95,382	842,951
Development costs of leased tangible assets	1,497,161	131,847	(13,583)	-	10,518	(19)	30,147	1,656,071
Other tangible assets	1,302,331	102,872	(6,325)	-	-	-	3,689	1,402,567
Investment properties	125,403	105,659	(5,628)	(5,135)	(51)	(39,144)	92,667	273,771
	16,332,358	**1,434,617**	**(531,814)**	**487,212**	**63,536**	**(227,838)**	**1,384,595**	**18,942,666**
Accumulated amortization:								
Land and land improvements	94,045	11,864	-	-	-	-	-	105,909
Buildings	663,060	34,108	(173)		(42)	-	-	696,953
Machinery and equipment	3,534,818	528,606	(26,518)	-	(33,350)	-	-	4,003,556
Motor vehicles	714,591	258,368	(77,753)	-	(3,816)	-	-	891,390
Furniture and fixtures	392,447	62,583	(4,551)	-	(930)	-	-	449,549
Development costs of leased tangible assets	525,871	58,375	(994)	-	(9,209)	-	-	574,043
Other tangible assets	1,020,887	2,496	(4,379)	-	-	-	-	1,019,004
	6,945,719	**956,400**	**(114,368)**		**(47,347)**	**-**	**-**	**7,740,404**
Net book value	**9,386,639**							**11,202,262**

(1) Details are explained in Note 3.
(2) Details are explained in Note 32.

As of December 1, 2022, there is no mortgage on tangible fixed assets (None as of December 31, 2021). As of December 31, 2022, the Group does not have any tangible fixed assets obtained through financial leasing (December 31, 2021: None.) As of December 31, 2022, there is no capitalized borrowing cost within the tangible assets. (December 31, 2021: 2,688)

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 16 - INTANGIBLE ASSETS

Other intangible assets:

Movements of the intangible assets for the periods ended 31 December 2023 and 2022 are as follows:

	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	Disposal of subsidiary[1]	Acquisition of subsidiary	31 December 2023
Cost								
Trade names	734,116	-	-	-	-	-	-	734,116
Electricity generation license	3,231,502	16	-	-	-	-	-	3,231,518
Customer list	1,949,302	-	-	-	-	-	-	1,949,302
Technological asset	230,693	-	-	-	-	-	-	230,693
Other	5,013,292	693,550	(4,243)	109,054	6,200	(312,800)	157,678	5,662,731
	11,158,905	**693,566**	**(4,243)**	**109,054**	**6,200**	**(312,800)**	**157,678**	**11,808,360**
Accumulated amortization:								
Trade names	46,088	49,267	-	-	-	-	-	95,355
Electricity generation license	730,685	69,444	-	-	-	-	-	800,129
Customer list	163,923	156,017	-	-	-	-	-	319,940
Technological asset	8,972	15,380	-	-	-	-	-	24,352
Other	1,834,127	509,444	(2,792)	72,714	-	(291,205)	-	2,122,288
	2,783,795	**799,552**	**(2,792)**	**72,714**	**-**	**(291,205)**	**-**	**3,362,064**
Dealer agreements	646,747							-
Television programme rights	652,755							967,698
	9,674,612							**9,413,994**

(3) Details are explained in Note 3.
(4) Details are explained in Note 32.

	1 January 2023	Additions	Amortization	Currency translation differences	Disposal	Disposal of subsidiary	Acquisition of subsidiary	31 December 2023
Dealer agreements	646,747	58,220	(16,261)	-	(2,538)	(686,168)	-	-
Television programme rights	652,755	255,200	(201,849)	261,592	-	-	-	967,698

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 16 - INTANGIBLE ASSETS (Continued)

Other intangible assets (Continued):

	1 January 2023	Additions	Disposals	Transfers	Currency translation differences	Disposal of subsidiary[1]	Acquisition of subsidiary	31 December 2023
Cost								
Trade names	351,041	-	-	-	-	-	383,075	734,116
Electricity production license	3,231,502	-	-	-	-	-	-	3,231,502
Customer list	1,383,861	-	-	-	-	-	565,441	1,949,302
Technological asset	-	-	-	-	-	-	230,693	230,693
Other	3,939,938	183,660	(8,860)	27,876	2,046	(32,600)	901,232	5,013,292
	8,906,342	**183,660**	**(8,860)**	**27,876**	**2,046**	**(32,600)**	**2,080,441**	**11,158,905**
Accumulated amortization:								
Trade names	30,844	15,245	-	-	-	-	-	46,089
Electricity production license	661,240	69,444	-	-	-	-	-	730,684
Customer list	123,010	40,913	-	-	-	-	-	163,923
Technological asset	-	8,971	-	-	-	-	-	8,971
Other	1,525,485	329,339	-	(20,696)	-	-	-	1,834,128
	2,340,579	**463,912**	**-**	**(20,696)**	**-**	**-**	**-**	**2,783,795**
Dealer agreements	641,927							646,747
Television programme rights	559,468							652,755
	7,767,158							**9,674,612**

[1] Details are explained in Note 3.

Movement of television programme rights and dealer agreements for the period ended 31 December 2022 is as follows:

	1 January 2022	Additions	Amortization	Disposals	Currency translation differences	31 December 2022
Dealer agreements	641,927	93,048	(86,577)	(1,651)	-	646,747
Television programme rights	559,468	166,893	(242,798)	-	169,192	652,755

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 16 - INTANGIBLE ASSETS (Continued)

Goodwill

As of 31 December 2023 and 2022, movement of goodwill is as follows:

	2023	**2022**
1 January	**1,186,421**	**294,605**
Additions (Note 3)	113,810	639,381
Currency translation difference	(59,995)	252,435
31 December	**1,240,236**	**1,186,421**

NOTE 17 – RIGHT OF USE ASSETS

	1 January 2023	**Additions**	**Disposals**	**subsidiary**	**Acquisition of subsidiary**	**Disposal of Remeasurement**	**31 December 2023**
Cost:							
Buildings	85,421	-	-	-	-	26,327	111,748
Warehouses	33,098	28,493	-	-	(1,196)	1,405	61,800
Offices	1,962,927	116,295	22,587	-	(1,731,452)	428,786	799,143
Machinery and equipment	402,484	4,295	-	-	-	15,834	422,613
Vehicles	389,464	17,223	(1,059)	-	(50,746)	19,957	374,839
Frequencies	9,594	626	-	-	-	2,124	12,344
	2,882,988	**166,932**	**21,528**	**-**	**(1,783,394)**	**494,433**	**1,782,487**

	1 January 2023	**Additions**	**Disposals**	**subsidiary**	**Acquisition of subsidiary**	**Disposal of Remeasurement**	**31 December 2023**
Accumulated amortization:							
Buildings	(19,341)	(6,012)	-	-	-	-	(25,353)
Warehouses	(20,263)	(11,506)	-	-	1,027	-	(30,742)
Offices	(813,817)	(180,146)	918	-	724,200	(16,418)	(285,263)
Machinery and equipment	(60,335)	(68,905)	-	-	-	-	(129,240)
Vehicles	(82,710)	(103,645)	715	-	30,396	-	(155,244)
Frequencies	(6,784)	(3,566)	-	-	-	-	(10,350)
	(1,003,250)	**(390,198)**	**1,633**	**-**	**755,623**	**-**	**(636,192)**
Net book value	**1,879,738**						**1,146,295**

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 17 – RIGHT OF USE ASSETS (Continued)

	1 January 2022	Additions	Disposals	subsidiary	Acquisition of subsidiary	Disposal of Remeasurement	31 December 2022
Cost:							
Buildings	93,430	23,542	-	-	-	(31,551)	85,421
Warehouses	26,315	6,783	-	-	-	-	33,098
Offices	1,669,069	181,674	(2,464)	-	-	114,648	1,962,927
Machinery and equipment	192,132	217,327	(6,975)	-	-	-	402,484
Vehicles	91,084	6,085	(479)	-	-	292,774	389,464
Frequencies	6,225	139	-	-	-	3,230	9,594
	2,078,255	**435,550**	**(9,918)**	**-**	**-**	**379,101**	**2,882,988**

	1 January 2022	Additions	Disposals	subsidiary	Acquisition of subsidiary	Disposal of Remeasurement	31 December 2022
Accumulated amortization:							
Buildings	(16,206)	(3,135)	-	-	-	-	(19,341)
Warehouses	(12,645)	(7,618)	-	-	-	-	(20,263)
Offices	(550,364)	(263,453)	-	-	-	-	(813,817)
Machinery and equipment	(21,808)	(38,527)	-	-	-	-	(60,335)
Vehicles	(16,898)	(65,913)	101	-	-	-	(82,710)
Frequencies	(3,378)	(3,406)	-	-	-	-	(6,784)
	(621,299)	**(382,052)**	**101**	**-**	**-**	**-**	**(1,003,250)**
Net book value	**1,456,956**						**1,879,738**

NOTE 18 - GOVERNMENT GRANTS

Ditaş, one of the subsidiaries of the group, receives insurance premium incentives within the scope of the Social Insurance and General Health Insurance Law (Law No. 5510), regional incentive (Law No. 56486), SSI incentive and Minimum Wage incentive (Law No. 56645). Ditaş received incentives worth TRY7,530 as of December 31, 2023. (December 31, 2022: TRY5.138) As of December 31, 2023, Karel, one of the subsidiaries of the group, received TRY23,131 from the government within the scope of incentives based on SSI employer support, investment incentive interest support, international fairs it participated in, and some of the expenses it made for R&D projects approved by TUBITAK. (31 December 2022: TRY7,415). Group subsidiaries benefit from Employer Bonus incentive (Law No. 6111), R&D incentive (Law No. 5746) and Additional Employment incentive (Law No. 6332). As of December 31, 2023, TRY20,321 (31 December 2022: TRY9,601) has been offset from personnel expenses in the financial statements.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions

	31 December 2023	31 December 2022
Insurance technical provisions (1)	6,633,299	2,233,930
Provision for lawsuits and indemnity	22,293	28,555
EMRA penalty provision (2)	4,370	7,201
Other	39,566	26,841
Total	**6,699,528**	**2,296,527**

(1) Insurance technical provisions are related to the provisions of Hepiyi Sigorta.
(2) EMRA penalty provisions relate to Galata Wind's provisions

Movement of lawsuit provisions for the periods ended 31 December 2023 and 2022 are as follows

	2023	2022
1 January	**28,555**	**32,765**
Additions in the current period (Note 29)	13,280	15,546
Reversal of provisions booked in prior periods	(15,760)	(7,567)
Acquisition of subsidiary	-	2,060
Disposal of subsidiary	(2,987)	-
Monetary (gain)/loss	(795)	(14,249)
31 December	**22,293**	**28,555**

The Group reserved provisions of TRY22,293 considering the legal opinions on ongoing lawsuits and similar lawsuits finalized in the past (31 December 2022: TRY28,555).

(a) Lawsuits

The amount of lawsuits filed against the Group is TRY105,355 as of 31 December 2023 (31 December 2022: TRY81,243).

	31 December 2023	31 December 2022
Commercial cases	39,062	18,736
Legal cases	53,976	46,425
Employment cases	12,317	16,082
Total	**105,355**	**81,243**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 20 - COMMITMENTS

(a) Letters of guarantee and guarantee notes given

	31 December 2023					31 December 2022				
	TRY Equivalent	**TRY**	**USD**	**EUR**	**Other**	**TRY Equivalent**	**TRY**	**USD**	**EUR**	**Other**
A. CPM's given in the name of its own legal personality										
Collaterals [1]	4,534,486	2,791,447	20,349	32,731	375,000	8,332,003	5,207,979	65,655	30,867	375,000
Pledge [3]	-	-	-	-	-	13,676	13,676	-	-	-
Mortgage	684,052	-	-	21,000	-	689,794	-	-	21,000	-
B. CPM's given on behalf of the fully consolidated companies										
Collaterals [1] [2]	496,099	213,811	9,531	52	-	1,946,528	359,989	51,495	-	-
Pledge [3]	-	-	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-	-	-
C. CPM's given on behalf of 3rd parties for ordinary course of business	30,900	30,900	-	-	-	636	636	-	-	-
D. Total amount of other CPM's given										
i) Total amount of CPM's given on behalf of the majority shareholders	-	-	-	-	-	-	-	-	-	-
ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-	-	-	-	-	-	-	-	-
iii) Total amount of CPM's given on behalf of 3rd parties which are not in scope of C	-	-	-	-	-	-	-	-	-	-
Total	**5,745,537**	**3,036,157**	**29,881**	**53,784**	**375,000**	**10,982,637**	**5,582,280**	**117,150**	**51,867**	**375,000**

(1) The collaterals of the Group consist of letter of guarantees, guarantee notes and bails and the details are explained below.

(2) Within the scope of Aslancık Elektrik's hydroelectric power plant project financing, Doğan Holding has a guarantee given to credit institutions in the amount of USD9,177 (31 December 2022: There is a guarantee given in the amount of USD13,330). However, Doğan Holding regarding the refinancing loans of Boyabat Elektrik has a guarantee given to credit institutions in the amount of USD33,000.

(3) 33.33% and 33.00% of the shares of Aslancık Elektrik and Boyabat Elektrik, respectively, were given as collateral to banks due to the Group's long-term financial debts and are not included in the table above.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 20 - COMMITMENTS (Continued)

(a) Letters of guarantee and guarantee notes given (Continued)

Other CPM's given by the Group to equity ratio is 0% as of 31 December 2023 (31 December 2022: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

Non-finance operations:

	31 December 2023		31 December 2022	
	Original Currency	**TRY equivalent**	**Original Currency**	**TRY equivalent**
Letters of guarantees - TRY	1,478,465	1,478,465	2,306,851	2,306,851
Letters of guarantees - USD	25,966	764,389	7,402	228,051
Letters of guarantees - EUR	32,784	1,067,896	29,815	979,346
Letters of guarantees - Other	375,000	77,800	375,000	87,310
Guarantee notes - USD	2,206	64,929	57,499	1,771,516
Guarantee notes - TRY	931	931	2,012,327	2,012,327
Guarantee notes - EUR	-	-	552	18,141
Pledge - TRY	-	-	13,676	13,676
Mortgage - EUR	-	-	21,000	689,794
Total		**3,454,410**		**8,107,012**

Finance operations:

	31 December 2023		31 December 2022	
	Original Currency	**TRY equivalent**	**Original Currency**	**TRY equivalent**
Letters of guarantees - TRY	1,530,511	1,530,511	1,201,127	1,201,127
Letters of guarantees - USD	1,709	50,314	1,252	38,565
Letters of guarantees - EUR	-	-	500	16,423
Less: Provisions	-	-	-	-
Total		**1,580,825**		**1,256,115**

(b) Bails and mortgages given

The details of guarantees given by the Group for the financial liabilities and trade payables of the Group companies and related parties as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023		31 December 2022	
	Original Currency	**TRY equivalent**	**Original Currency**	**TRY equivalent**
Bails - USD	39,177	1,153,304	50,997	1,571,209
Bails - TRY	26,250	26,250	48,302	48,302
Mortgages - EUR	21,000	684,052	-	-
Total		**1,863,606**		**1,619,511**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 21 - OTHER ASSETS

Other current assets	**31 December 2023**	**31 December 2022**
Other assets related to insurance activities [1]	1,561,549	397,979
Value added tax ("VAT") receivables	478,619	315,140
Prepaid tax and funds [2]	6,574	147,234
Job advances	17,823	7,632
Personnel advances	7,348	6,593
Other	14,176	5,159
	2,086,089	**879,737**

[1] It consists of reinsurance shares of technical provisions allocated within the scope of insurance activities.
[2] A significant portion of Doğan Holding's prepaid taxes and funds were offset during the period.

Other non-current assets	**31 December 2023**	**31 December 2022**
Value added tax ("VAT") receivables	74,157	134,941
Other	2,595	3,622
	76,752	**138,563**

NOTE 22 - PREPAID EXPENSES AND DEFERRED INCOME

The details of prepaid expenses and deferred income as of 31 December 2023 and 31 December 2022 are as follows:

Short term prepaid expenses	**31 December 2023**	**31 December 2022**
Advances given [3]	1,236,034	1,178,787
Prepaid expenses	919,813	588,712
	2,155,847	**1,767,499**

[3] A significant portion of the advances given consists of advances related to the activities of the Group's subsidiaries Suzuki, Galata Wind, Doğan Trend Otomotiv and Karel.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 22 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Long term prepaid expenses	**31 December 2023**	**31 December 2022**
Advances given	1,063,178	435,852
Long term prepaid expenses	109,108	497,133
	1,172,286	**932,985**

Short-term deferred income	**31 December 2023**	**31 December 2022**
Deferred income	571,398	367,012
Advances received	-	447,912
	571,398	**814,924**

Long-term deferred income	**31 December 2023**	**31 December 2022**
Deferred income	98,976	56,136
	98,976	**56,136**

NOTE 23 - DERIVATIVE INSTRUMENTS

Currency derivative transactions

The Group utilizes foreign exchange derivatives and commodity derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various swap, forward exchange contracts and option contracts regarding the management of fluctuations in exchange rates.

As of the statement of financial position date, the total nominal amount of the Group's foreign currency and option contracts with maturity that are not due and the Group is obliged to carry are as follows::

	31 December 2023		**31 December 2022**	
	Asset	**Liability**	**Asset**	**Liability**
Derivative instruments accounted for hedging purposes				
Foreign currency derivatives [1]	314,183	56,042	310,590	26,493
Total	**314,183**	**56,042**	**310,590**	**26,493**

[1] The contract values of derivative instruments for hedging purposes and their impact on the net foreign currency position and sensitivity analysis to exchange rate risk are included in Note 36.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 24 - PROVISION FOR EMPLOYMENT BENEFITS

a) Payables related to employee benefits

The details of payables related to employee benefits as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Payables to personnel [1]	323,357	230,198
Social security payables	223,450	156,368
	546,807	**386,566**

[1] The relevant amount includes provisions for bonuses and premium.

b) Short term provisions for employment benefits

The details of short-term provisions for employment benefits as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Provision for unused vacation	265,395	157,286
	265,395	**157,286**

c) Long term provisions for employment benefits

Details of long-term provisions for employment benefits as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Provision for employment termination benefits	514,392	533,057
	514,392	**533,057**

Except from the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 24 - PROVISION FOR EMPLOYMENT BENEFITS(Continued)

c) Long term provisions for employment benefits(Continued)

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. As of 31 December 2023, the maximum amount payable equivalent to one month of salary is TRY23,489.83 (exact) (31 December 2022: TRY15,371.40 (exact) for each year of service. The retirement pay provision ceiling TRY35,058.58 (exact) which is effective from 1 January 2024, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2022: TRY19,982.83 (exact) effective from 1 January 2023).

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group.

The standard TAS 19 "Employee Benefits" envisages the development of actuarial valuation methods in order to estimate the provision of severance pay. According to this, following assumptions were used in the calculation of total liability based on the report prepared by the actuarial firm.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation, Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, Consequently, in the accompanying financial statements as at 31 December 2022, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

Discount rate applied as 25.00% (1) (31 December 2022: 10.60%), inflation rate applied as 22.00% (31 December 2022: 9.90%) and increase in wages applied as 22.00% (31 December 2022: 9.90%) in the calculation (2).

Age of retirement is based on considering the Company's historical average age of retirement.

(1) The gross discount rate used in the calculation of the severance pay obligation is determined by taking into account the weighted average of the issued 10-year maturity government domestic debt securities, taking into account the movements in the daily values of the average net compound interest rates. Based on this, the net discount rate was determined as 2.46% (31 December 2022: 0.64%).

(2) In the calculation of severance pay liability, it was determined by taking into account the 2023 inflation reports of the Central Bank of the Republic of Turkey.

The movement of provision for employment termination benefits within the period is as follows:

	2023	2022
1 January	**533,057**	**279,674**
Current period service cost and net interest expense	116,571	75,500
Payments during the period	(115,983)	(27,255)
Acquisition of subsidiary (Note 3)	-	132,211
Disposal of subsidiary (Note 32)	(48,970)	(52,409)
Payment/reduction of benefits/dismissal (gains)/losses	-	5,968
Actuarial loss/(gain)	284,586	289,051
Monetary (gain)/loss	(254,869)	(169,683)
31 December	**514,392**	**533,057**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 25 - EQUITY

Doğan Holding adopted the registered paid-in capital system and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TRY 1.

Doğan Holding's registered capital ceiling and issued capital at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Registered authorized capital ceiling	4,000,000	4,000,000
Issued capital	2,616,938	2,616,938

There are no privileged shares of Doğan Holding.

The ultimate shareholders of Doğan Holding are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y. Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity as of 31 December 2023 and 31 December 2022 are as follows:

Shareholder	Shares (%)	31 December 2023	Shares (%)	31 December 2022
Doğan Family	64.13	1,678,363	14.47	378,626
Publicly traded on Borsa İstanbul (1)	35.87	938,633	35.87	938,633
Adilbey Holding A.Ş.	-	-	49.66	1,299,679
Issued capital	**100.00**	**2,616,996**	**100.00**	**2,616,938**
Adjustment to issued capital		40,985,551		32,850,279
Repurchased shares (-)		(226,828)		(216,833)
Total		**40,758,723**		**32,633,446**

(1) In accordance with the Principle Decision numbered 21/655 dated 23 July 2010, amended by the CMB's Principle Decision numbered 31/1059 dated 30 October 2014; According to MKK records; As of 31 December 2023, 934,550,800 (exact) shares, corresponding to 35.71% of Doğan Holding capital (31 December 2022: 35.79%), are considered to be in circulation.

Capital adjustment differences express the difference between the inflation-adjusted total amount of cash and cash equivalent additions to the Holding's capital and the amount before inflation adjustment.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 25 - EQUITY(Continued)

Repurchased shares

By the decision of the Group Board of Directors dated March 16, 2022; The "Share Repurchase Program" prepared by taking into account the regulations of the Turkish Commercial Code, the Capital Markets Law, and the CMB's Repurchased Shares Communiqué numbered II-22.1 published in the Official Gazette dated 3 January 2014 and numbered 28871, was approved by majority vote at the Ordinary General Assembly Meeting held on 30 March 2022.

Within the framework of "Share Buyback Program", the Company management has been authorized to perform the repurchase of its shares. In this context, it was decided that the maximum amount of funds allocated for repurchase would be TRY300,000,000 (exact) and that the maximum number of shares to be withdrawn would not exceed this amount.

During the accounting period of 1 January 2023 – 31 December 2023, shares were purchased by the Company within the scope of the "Share Buyback Program". As of December 31, 2023, the repurchased shares, including those purchased outside the scope of the "Share Repurchase Program", total TRY226,828,095.79 (exact) (nominal amount is TRY69,529,544.09 (exact). (As of December 31, 2022, the total nominal amount of Repurchased Shares is TRY216,832,558.90 (exact) (nominal amount is TRY59,534,007.2 (exact).

Share premiums/(discounts)

Share premiums/(discounts) represent the positive or negative differences resulting from the nominal value and sales value of public shares.

	31 December 2023	**31 December 2022**
Share premiums	2,457,261	2,457,261
Share discounts (-)	(1,043,846)	(1,043,846)
Total	**1,413,415**	**1,413,415**

Restricted reserves

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with TCC and TPL.

General Statutory Legal Reserves are reserved in accordance with the article 519 of Turkish Commercial Code and used in accordance with the principles set out in this article, The afore-mentioned amounts should be classified in "Restricted Reserves" in accordance with the TAS.

The details of restricted reserves as of 31 December 2023 and 31 December 2022 are as follows:

Restricted reserves	**31 December 2023**	**31 December 2022**
Gain on sale of subsidiary's shares	4,535,379	3,589,804
Legal reserves	3,089,172	3,013,434
Venture capital investment fund	1,640,988	1,518,071
Total	**9,265,539**	**8,121,309**

NOTE 25 - EQUITY(Continued)

Accumulated Other Comprehensive Income and Losses that will not be Reclassified in Profit or Loss

The Company's investment property revaluation reserves and actuarial losses of defined benefit plans that aren't reclassified in accumulated other comprehensive income and expenses are summarized below:

i. Gain/(loss) on revaluation of property, plant and equipment

Real estates recognised as property, plant and equipment in prior periods, can be transferred to investment property due to changes in use, The Group has reclassified some of its properties as investment property and has chosen to account such investment properties at fair value.

ii. Actuarial gains (losses) on defined benefit plans

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. The Group recognised all actuarial gains and losses in other comprehensive income. Remeasurement loss on defined benefit plans amounting to TRY127,137 is accounted under shareholders' equity (31 December 2022: TRY90,854).

Accumulated Other Comprehensive Income and Losses that will be Reclassified in Profit or Loss

i. Revaluation and reclassification gains (losses)

Financial assets revaluation fund is formed by accounting for unrealized gains and losses arising from changes in the fair values of financial assets whose fair value differences are reflected in the other comprehensive income statement, at their net values, after reflecting the deferred tax effect. The impairment amounting to TRY179,315 resulting from the revaluation of financial assets whose fair value difference is reflected in the other comprehensive income statement is shown under equity in the statement of financial position (31 December 2022: TRY509,402 impairment).

ii. Foreign currency conversion differences

It consists of foreign currency translation differences created by converting the financial statements of the Group's subsidiaries and joint ventures outside Turkey into TRY reporting currency and reflected in equity.

Capital Reserves and Retained Earnings

Subsequent to the first inflation adjusted financial statements, equity items such as; "Capital, Emission Premiums, General Statutory Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves" are carried at carrying value in the statement of financial position and their adjusted values based on inflation are collectively presented in equity accounts group.

In accordance with the CMB regulations, "Issued capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amounts, The valuation differences resulted due to the inflation adjustment shall be disclosed as follows:

NOTE 25 - EQUITY (Continued)

Capital Reserves and Retained Earnings (Continued)

- If the difference is due to the "Issued Capital" and not yet been transferred to capital, it should be classified under "Capital adjustment difference";

- If the difference is due to "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under "Retained Earnings/(Losses)".

Other equity items are carried at the amounts valued in accordance with TAS.

Capital adjustment differences have no other use than to be included to the share capital.

Dividend Distribution

The Company decides to distribute dividend and makes dividend distribution in accordance with the Turkish Commercial Code ("TCC"), Capital Market Law ("CML"), Capital Market Board ("CMB") Regulations and Laws; Tax Legislations; other related statutory legislation and Articles of Association and Resolutions of General Assembly, Dividend distribution is determined by Dividend Distribution Policy.

On the other hand,

a) Retained earnings derived from the repreparation of comparative financial statements based on the first time adoption of TAS,
b) "Equity inflation adjustment differences" derived from resources that do not have any restriction regarding dividend distribution,
c) Retained earnings derived from the first time inflation adjustment of financial statements, can be distributed to shareholders as cash dividends,

In addition, if the consolidated financial statements include the "Purchasing Impact on Equity" item under equity, the related item is not considered as a deductible or additional item when presenting net distributable profit for the period.

At the Company's Ordinary General Assembly held on March 30, 2023; A total of 190,000,000.00 (exact) nominal Turkish Lira ("gross"), 171,000,000.00 (exact) nominal Turkish Lira (gross 7.260% and net 6.534% of the "Issued Capital"). It was decided to distribute "cash" dividends amounting to "net") and the dividend distribution was completed on May 10, 2023.

At the Extraordinary General Assembly of the Company held on June 12, 2023; In addition to the dividend of 190,000,000 (exact) nominal Turkish Liras ("gross"), which was decided to be distributed at the Ordinary General Assembly Meeting dated March 30, 2023, in the amount of 171,000,000 (exact) nominal Turkish Liras ("net"); Gross 18.533% and net 16.680% of the Company's "Issued Capital"; It has been decided to make an (additional) "cash" profit distribution in the amount of 485,000,000.00 (exact) nominal Turkish Lira ("gross") and 436,500,000.00 (exact) nominal Turkish Lira ("net"). It was completed on 20 June 2023.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 25 - EQUITY (Continued)

In accordance with TAS 29 and VUK, Capital Adjustment Differences, Premiums/Discounts Related to Shares and Restricted Reserves Allocated from Profit are Presented in the Financial Statements

Statutory reserves and special reserves, etc., classified under "Legal Reserves" and "Other Reserves", including "Capital Adjustment Differences", "Premiums (Discounts) on Shares" (Emission Premium) in the financial statements prepared in accordance with the CMB legislation. spare items; Starting from the TFRS balance sheets for the reporting period ending in 2023, it has been shown over the CPI, and in the statutory financial statements over the PPI.

31 December 2023 (TFRS)	Fair Value	Inflation Adjustment Effect	Indexed Value
Capital Adjustment Differences	2,616,996	32,850,286	35,467,282
Restricted Reserves	2,612,479	6,653,060	9,265,539

31 December 2023 (Statutory)	Fair Value	Inflation Adjustment Effect	Indexed Value
Capital Adjustment Differences	2,616,996	56,452,252	59,069,248
Restricted Reserves	2,672,013	10,584,392	13,256,405

	ÜFE Indexed Legal Entries	TÜFE Indexed Values	Difference Followed In Retained Years Profits/Loss
Capital Adjustment Differences	59,069,248	35,467,282	23,601,966
Restricted Reserves	13,256,405	9,265,539	3,990,866

The retained earnings in the individual balance sheets prepared in accordance with TFRS within the scope of the first transition to inflation are TRY(2,404,693) as of 1 January 2022, and the amount calculated on the purchasing power basis as of 31 December 2023 is TRY(6,508,826).

NOTE 26 - REVENUE AND COST OF SALES

	1 January - 31 December 2023	1 January - 31 December 2022
Revenue of non-finance sector		
Domestic sales	41,593,677	24,501,744
Foreign sales	3,532,027	2,576,273
Sales return and discounts (-)	(2,880,487)	(1,133,508)
Revenue of finance sector operations		
Interest income	1,158,412	2,361,886
Insurance services income	7,665,359	1,109,369
Fee and commission income	750,647	126,855
Other activities income	745,813	63,384
Net sales	**52,565,448**	**29,606,003**
Cost of sales of non-finance sector (-)	(34,349,594)	(21,762,546)
Cost of sales of finance sector operations (-)	(8,632,055)	(2,930,842)
Gross profit	**9,583,799**	**4,912,615**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 26 - REVENUE AND COST OF SALES (Continued)

Sales details of electricity generation segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity income	1,859,033	2,296,830
Total	**1,859,033**	**2,296,830**

Sales details of industry and trade segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Industrial income	10,926,519	7,274,964
Packaging income	3,414,096	3,216,718
External trade income	3,023,641	3,481,517
Other	57,869	701,694
Total	**17,422,125**	**14,674,893**

Sales details of automative trade and marketing segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Automative sales and other income	20,075,360	6,433,243
Total	**20,075,360**	**6,433,243**

Sales details of finance and investment segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Factoring income	1,244,981	908,509
Finance and insurance income	8,887,555	2,650,534
Management consultancy income	214,909	15,733
Investment income	15,373	30,445
Total (*)	**10,362,818**	**3,605,221**

(*) Revenue from financial sector activities is followed under the finance and investment segment. It consists of factoring, financing, interest and insurance income.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 26 - REVENUE AND COST OF SALES (Continued)

Sales details of internet and entertainment segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Advertisement income	1,442,064	1,359,398
Book and magazine sales	343,982	283,111
Subscription income	258,296	265,254
Other	19,833	26,358
Total	**2,064,175**	**1,934,121**

Sales details of real estate investments segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Real estate management income	289,753	314,732
Rent income	308,134	275,151
Other	184,050	71,812
Total	**781,937**	**661,695**

Details of the cost of sales for the periods ended at 31 December 2023 and 2022 are as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Petroleum products retail	-	-
Electricity generation	755,254	715,308
Industry and trade	15,125,082	13,820,940
Automotive trade and marketing	16,742,111	5,332,550
Finance and investment	8,709,166	3,363,526
Internet and entertainment	1,040,284	994,144
Real estate investments	609,752	466,920
Total	**42,981,649**	**24,693,388**

Details of the cost of sales of electricity generation segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Amortization and depreciation	385,652	435,854
General production expenses	144,231	142,216
Other	225,371	137,238
Total	**755,254**	**715,308**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 26 - REVENUE AND COST OF SALES (Continued)

Cost of sales details of industry and trade segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Raw material cost	5,932,081	7,387,205
Cost of trade goods sold	6,985,320	3,046,582
Personnel expenses	587,491	661,927
Amortization and depreciation	639,706	625,493
General production expenses	391,934	637,084
Other	588,550	1,462,649
Total	**15,125,082**	**13,820,940**

Cost of sales details of automotive trade and marketing segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of trade goods sold	16,742,111	5,332,550
Total	**16,742,111**	**5,332,550**

Cost of sales details of finance and investment segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of services sold	8,709,166	3,363,526
Total (*)	**8,709,166**	**3,363,526**

(*) The cost of sales from finance sector operations is classified in the finance and investment segment.

Cost of sales details of internet and entertainment segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	321,690	308,549
Amortization and depreciation	258,880	265,269
Print expenses	100,026	126,775
Programme production costs	165,060	93,023
Other	194,628	200,528
Total	**1,040,284**	**994,144**

Sales details of real estate investments segment are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Cost of goods and services sold	609,752	466,920
Total	**609,752**	**466,920**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 27 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
Research and development expenses	(238,803)	(119,933)
Marketing expenses	(2,947,658)	(1,876,907)
General administrative expenses	(2,146,945)	(1,556,281)
Operating expenses	**(5,333,406)**	**(3,553,121)**

Research and development expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	(137,535)	(34,726)
Amortization and depreciation	(76,310)	(65,944)
Other	(24,958)	(19,263)
Total	**(238,803)**	**(119,933)**

Marketing expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Advertisement expenses	(729,504)	(331,800)
Personnel expenses	(675,490)	(379,073)
Transportation, storage and travel expenses	(464,379)	(352,599)
Amortization and depreciation	(248,254)	(269,304)
Consulting expenses	(186,980)	(122,369)
Outsourced service expenses	(160,687)	(98,466)
Rebate	(130,706)	(37,428)
Rent expenses	(71,214)	(17,274)
Royalty expenses	(109)	(242)
Other	(280,335)	(268,352)
Total	**(2,947,658)**	**(1,876,907)**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 27 - RESEARCH AND DEVELOPMENT EXPENSES AND MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

General administrative expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	(1,359,563)	(891,182)
Outsourced service expenses	(155,823)	(117,619)
Amortization and depreciation	(136,100)	(104,713)
Consulting expenses	(122,372)	(125,806)
Advertisement expenses	(19,580)	(31,856)
Various taxes	(81,017)	(26,223)
Transportation, storage and travel expenses	(42,291)	(33,819)
Rent expenses	(40,223)	(52,585)
Other	(189,976)	(172,478)
Total	**(2,146,945)**	**(1,556,281)**

NOTE 28 - EXPENSES BY NATURE

Expenses are presented functionally for the periods ended 31 December 2023 and 2022 and the details are given in Note 26 and Note 27.

NOTE 29 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	3,175,056	2,842,514
Interest income on bank deposit	1,670,575	259,302
Investment properties fair value difference	1,479,350	897,582
Income from fair value increase of investment properties	346,765	625,732
Provisions no longer required	39,965	18,037
Finance income due from sales with maturity	33,616	37,308
Other	382,270	118,706
	7,127,597	**4,799,181**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 29 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

Other expenses from operating activities

	1 January - 31 December 2023	1 January - 31 December 2022
Donations and grants	(129,651)	(56,616)
Foreign exchange losses	(122,472)	(657,342)
Other penalties and compensation paid	(90,857)	(186)
Provision for doubtful receivables	(87,301)	(64,391)
Bonus and premium provision expenses	(64,571)	-
Finance expense due to purchases with maturity	(63,735)	(1,227)
Provision for lawsuits (Note 19)	(22,293)	(16,784)
Other	(87,898)	(273,113)
Total	**(668,778)**	**(1,069,659)**

NOTE 30 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange gains	3,782,982	1,703,823
Income from disposal of subsidiary	2,665,440	552,413
Interest income on marketable securities	750,421	1,240,081
Income from sales of marketable securities	620,385	-
Exchange rate protected deposit fair value difference	98,891	174,289
Income from fair value increase of investment properties	1,130	18,115
Income from sales of tangible and intangible assets	729	55,006
Dividend income of financial investments	-	33,381
Total	**7,919,978**	**3,777,108**

Expenses from investment activities

	1 January - 31 December 2023	1 January - 31 December 2022
Loss on properties sales	(187,459)	(542,743)
Other	(8,362)	(329)
	(195,821)	**(543,072)**

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 31 - FINANCE INCOMES AND EXPENSES

Finance income

	1 January - 31 December 2023	1 January - 31 December 2022
Derivative income	123,098	87,.474
	123,098	**875,474**

Finance expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Interest expense on bank borrowings	(1,999,252)	(2,165,128)
Foreign exchange losses	(1,649,047)	(1,808,138)
Bank commission expenses	(800,738)	(276,542)
Interest expense related to lease borrowings	(123,199)	(70,122)
Other	(82,140)	(73,430)
Total	**(4,654,376)**	**(4,393,360)**

NOTE 32 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS AND LIABILITES RELATED TO ASSET GROUPS CLASSIFIED AS HELD FOR SALE

Discontinued Operations

Aytemiz Akaryakıt Dağıtım A.Ş.

At the board of directors meeting held on 4 April 2023, the Group decided to sell 50% of the shares representing the capital of Group subsidiaries, Aytemiz Akaryakıt Dağıtım A.Ş., Aytemiz Petrolcülük Ticaret Limited Şirketi and İstasyon Petrol Ticaret Limited Şirketi operating in the petroleum products retail industry, to a third party PSJC TATNEFT. The sale was completed on 4 April 2023 in Exchange of the amount of TRY4,657,648 (TRY3,256,531 nominal amount). As a result of the sale, profit of TRY2,665,440 (TRY2,380,245 nominal) were recognized under income from investing activities in the consolidated profit or loss statement for the interim accounting period ending on 31 December 2023 (Note 30).

As of December 31, 2023, the activities of the subsidiaries in question within the accounting period of January 1 - December 31, 2023 have been classified as discontinued operations. In this context, the Group has presented the relevant activities as discontinued operations in order to comply with the presentation of the current period consolidated financial statements in the consolidated profit or loss statement and related footnotes for the interim accounting period between 1 January - 31 December 2022 and the consolidated cash flow statement. (Note 2.1.5).

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 32 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS AND LIABILITES RELATED TO ASSET GROUPS CLASSIFIED AS HELD FOR SALE (Continued)

The recorded values of the consolidated assets and liabilities subject to sale as of the date of the sale detailed above are as follows: Aytemiz Akaryakıt Dağıtım A.Ş. The recorded values of the consolidated assets and liabilities subject to sale as of the date of the sale detailed above are as follows:

	Fair Value
Current assets	5,810,239
Non-current assets	3,322,766
Total Assets	**9,133,005**
Short-term liabilities	4,794,315
Long-term liabilities	354,274
Total Liabilities	**5,148,589**
Net Assets	**3,984,416**
Total net assets	3,984,416
Sold portion of net assets	1,992,208
Sale price	4,657,648
Profit on sale of subsidiaries (Note 30)	**2,665,440**
Total net assets	2,397,299
Total cash received	4,657,648
Outgoing cash and cash equivalents	(2,260,349)
Net cash inflow/(outflow)	**2,397,299**

Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş.

Based on the decision of the Group's Board of Directors dated 14 July 2023, 82.29 percent of the shares representing the capital of Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş., one of the Group's subsidiaries operating in the Real Estate Industry, has been transferred to Re-Pie Portföy Yönetimi A.Ş., founded by Re-Pie Portföy Yönetimi A.Ş. Secondary Venture Capital Fund. Transfer transactions were completed on 22 August 2023 for a price of TRY1,704,153 (TRY1,479,452 nominal amount). The profit amounting to TRY221,017 (TRY117,417 nominal) resulting from the sales transaction has been accounted under income from investment activities in the consolidated profit or loss statement for the interim accounting period ending 31 December 2023 (Note 30).

As of December 31, 2023, the activities of the subsidiaries in question within the accounting period of January 1 - December 31, 2023 have been classified as discontinued operations.In this context, the Group has presented the relevant activities as discontinued operations in the consolidated profit or loss statement and related footnotes for the interim accounting period of 1 January - 31 December 2022 and in the consolidated cash flow statement in order to comply with the presentation of the current period consolidated financial statements (Note 2.1.5).

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 32 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS AND LIABILITES RELATED TO ASSET GROUPS CLASSIFIED AS HELD FOR SALE (Continued)

Discontinued Operations (Continued):

The recorded values of the consolidated assets and liabilities subject to sales as of the sale date detailed above are as follows:

Milpa Ticari ve Sınai Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa"), the registered values of the consolidated assets and liabilities subject to sale as of the date of the sale detailed above are as follows:

	Fair Value
Current assets	1,858,950
Non-current assets	5,768
Total Assets	**1,864,719**
Short-term liabilities	62,390
Long-term liabilities	-
Total Liabilities	**62,390**
Net Assets	**1,802,328**
Total net assets	1,802,328
Sold portion of net assets	1,483,135
Sale price	1,704,153
Profit on sale of subsidiaries (Note 30)	**221,017**
Total net assets	**1,802,328**
Total cash received	1,704,154
Outgoing cash and cash equivalents	(210,167)
Net cash inflow/(outflow)	**1,493,987**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 32 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS AND LIABILITES RELATED TO ASSET GROUPS CLASSIFIED AS HELD FOR SALE (Continued)

Discontinued Operations (Continued):

Çelik Halat ve Tel Sanayii A.Ş.

Pursuant to the decision of the Group's Board of Directors dated 12 October 2022, 75% of the shares representing the capital of Çelik Halat ve Tel Sanayii A.Ş., one of the Group's subsidiaries operating in the Industry and Trade sector It was decided to sell the remaining 25% to Artaş İnşaat Sanayi ve Ticaret A.Ş. and the remaining 25% to Betatrans Lojistik İnşaat Sanayi ve Ticaret A.Ş., and the sales process price was TRY900,459 (TRY506,987 nominal). It was completed on 29 November 2022. The profit amounting to TRY680,970 (TRY456,185 nominal) resulting from the sales transaction in question has been accounted under expenses from investment activities in the consolidated statement of profit or loss for the year end accounting period ending on 31 December 2022. (Note 30).

The recorded values of the consolidated assets and liabilities subject to sales as of the sale date detailed above are as follows:

Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat"), the recorded values of the consolidated assets and liabilities subject to sale as of the date of the sale detailed above are as follows:

	Fair Value
Current assets	1,293,716
Non-current assets	435,552
Total Assets	**1,729,267**
Short-term liabilities	1,357,616
Long-term liabilities	57,331
Total Liabilities	**1,414,948**
Net Assets	**314,320**
Total net assets	314,320
Sold portion of net assets	219,489
Sale price	900,459
Profit on sale of subsidiaries (Note 30)	**680,970**
Total net assets	**804,132**
Total cash received	900,459
Outgoing cash and cash equivalents	(96,327)
Net cash inflow/(outflow)	**804,132**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 33 - INCOME TAXES

Turkish tax legislation does not allow the parent company to file tax returns based on the financial statements in which it consolidates its subsidiaries and joint ventures. For this reason, the tax provisions reflected in these consolidated financial statements have been calculated separately for all companies included in the scope of consolidation.

Corporate tax

As of 31 December 2023 and 31 December 2022, the period profit tax liability is as follows:

	31 December 2023	31 December 2022
Provision for current income tax	1,773,786	1,172,219
Prepaid corporate taxes	(1,667,789)	(809,340)
Current income tax liability	**105,997**	**362,879**

	31 December 2023	31 December 2022
Corporate and income taxes payable	105,997	362,879
Deferred tax (asset)/liabilities, net	2,564,424	2,073,824
Total taxes	**2,670,421**	**2,436,703**

Turkey

Corporate tax is payable on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (exemption for participation in subsidiaries, etc,) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

Companies calculate corporate tax quarterly at the rate determined by the Corporate Tax Law and these amounts are disclosed by the end of 17th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

With the amendment to the Corporate Tax Law, which came into force by being published in the Legal Gazette No, 31462 dated 22 April 2021, the corporate tax rate in Turkey is 25% as of 31 December 2023 (2022: 23%). Accordingly, in the Company's financial statements dated 31 December 2023, while calculating deferred tax assets and liabilities for its subsidiaries located in Turkey, the tax rate for the parts of the relevant temporary differences that will occur as of 2024 has been taken into account as 25% (2022: 20%).

NOTE 33 - INCOME TAXES (Continued)

Corporate tax (Continued)

Law no, 7352 concerning adjustments in the Tax Procedural Law and Corporate Income Law went into effect on 20 January 2022. It was decided that financial statements cannot be adjusted for inflation, regardless of whether the conditions related to inflation adjustment in Repeated Article no, 298 are realised in the 2021 accounting period, the 2022 accounting period, or the temporary tax period of the 2023 accounting period, and this includes temporary accounting periods. As per Law no, 7352, inflation adjustment will be applied for financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustments will be reflected in the previous year profit/loss account and will not be subject to tax.

In accordance with the "Law No, 7440 on Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette on 12 March 2023, the exemption and discount amounts deducted from corporate earnings in accordance with the regulations in the law, by being shown in the corporate tax return for 2022. An additional tax of 10% must be calculated on the bases subject to reduced corporate tax, without being associated with period earnings, and an additional tax of 5% must be calculated on exempt earnings, As of the balance sheet date, the additional tax burden calculated within the scope of the said regulation has been accrued in the consolidated financial statements; The consolidated period tax expense effect is at the level of 137 Million TRY, The first installment payment for the tax in question was made in May 2023, and the second installment payment was made in August 2023.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments, Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

The authorities authorized for tax inspection may examine the accounting records within five years, and if a faulty transaction is detected, the tax amount to be paid may change due to the tax assessment to be made.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years.

There are numerous exemptions in the Corporate Tax Law concerning the corporations, The exemptions that are related to the Group are as follows:

Exemption for participation in subsidiaries

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax. As of 30 July 2022 obtained the gain on sale of associates regarding as the public offering of Galata Wind shares is included in the taxable income in the 2nd period within the scope of Article 5/1-e of the Corporate Tax Law No, 5520.

Issued premiums exemption

Emission premium gains obtained from the disposal of shares above the nominal value of the shares issued by joint stock companies during their establishment or when they increase their capital are exempt from corporate tax.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 33 - INCOME TAXES (Continued)

Turkey (Continued)

Exemption for participation into foreign subsidiaries

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company,(except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

Exemption for sale of participation shares and property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and 50% of the gains derived from the sale of real estate property which have remained in assets for more than two full years are exempt from corporate tax. The relevant gain is required to be held in a fund account in liabilities for at least five years to gain the right to use the exemption, The amount of the sale should be collected until the end of the second calendar year following the year of the sale.

The tax rates applicable as of 31 December 2023 in the foreign countries where a significant part of the Group's activities are carried out are as follows:

Country	Tax Rates (%)
USA	10.5
Romania	16.0
Netherlands	25.0

Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA's Financial Reporting Standards. The temporary differences arise due to accounting treatments made in different reporting periods based on the applicable tax laws and the transfer of financial losses.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the statement of financial position dates which are disclosed in the table and explanations above.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences, deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 33 - INCOME TAXES (Continued)

Deferred tax (Continued)

Maksipak, Galata Wind, Doğan Trend, Suzuki and Otomobilite, subsidiaries of the Group, based on the "Law on Restructuring of Certain Receivables and Amending Certain Laws" dated 3 June 2021 and numbered 7326, considering the increase rate of the value of their tangibles in their assets in the D-PPI recalculated and the differences arising from this valuation were recorded in the statutory accounting records. However, the valuation envisaged in the Law is an inflation indexing method and it is not a suitable method for the TFRS revaluation model, as the increase in value achieved by indexing will not serve the fair value considered within the scope of TFRS 13. The Group continues to account for the relevant tangibles using the cost method in its TFRS financial statements. Accordingly, deferred tax income resulting from the reduction of temporary differences between statutory accounting records and TFRS records as a result of revaluation is recognized in the consolidated statement of profit or loss at once.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2023 and 31 December 2022 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Deductible tax losses	251,538	201,799	62,389	40,359
Provision for employment termination and unused	779,787	690,343	194,947	138,069
Provision for doubtful receivables	97,004	17,413	24,251	4,353
Other	1,268,728	553,099	317,182	156,318
Deferred tax assets	**2,049,741**	**1,465,672**	**598,769**	**339,109**
Net difference between book value and tax value of tangible and intangible assets and inventories	(7,440,424)	(9,888,789)	(1,860,106)	(1,977,758)
Net differences between the fair values of investment properties and values of taxation	(5,454,079)	(4,351,645)	(1,303,087)	(435,165)
Deferred tax liabilities	**(12,894,503)**	**(14,240,434)**	**(3,163,193)**	**(2,412,923)**
Deferred tax assets/ (liabilities), net	**(10,844,762)**	**(12,774,762)**	**(2,564,424)**	**(2,073,824)**

Conclusions of netting has been reflected to consolidated statement of financial position of the Group, since Doğan Holding, subsidiaries and joint ventures, which are separate taxpayer companies, have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS. Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 33 - INCOME TAXES (Continued)

Deferred tax (Continued)

The Group recognized deferred tax assets over TRY251,538 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 31 December 2023 (31 December 2022: TRY122,471). As of 31 December 2023 and 31 December 2022, the maturity analysis of carry forward tax losses is as follows:

	31 December 2023	31 December 2022
2022 and after	-	(122,471)
2023 and after	(251,538)	-
	(251,538)	**(122,471)**

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Movements for net deferred taxes for the periods as of 31 December 2023 and 2022 are as follows:

	2023	2022
1 January	**(2,073,822)**	**(2,352,593)**
Current period income (expense)	294,844	378,271
Currency translation differences	(65,369)	-
Tax recognized under other comprehensive income	(133,497)	(27,138)
Acquisiton of subsidiary	-	(63,773)
Disposal of subsidiary	(586,580)	(8,589)
31 December	**(2,564,424)**	**(2,073,822)**

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended 31 December 2023 and 2022 are summarized below:

	1 January - 31 December 2023	1 January - 31 December 2022
Tax expense for the period	(1,773,786)	(919,791)
Deferred tax income/(expense)	294,844	378,271
Total tax (expense)/income	**(1,478,942)**	**(541,520)**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 33 - INCOME TAXES (Continued)

The reconciliation of the taxation on income in the consolidated statement of profit or loss for the periods ended 31 December 2023 and 2022 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

	2023	2022
Income/(Loss) before tax and non-controlling interests	2,229,864	(288,478)
Current period tax income/(expense) calculated at 25% effective tax rate (2022:23%)	(557,466)	72,120
Effect of carryforward tax losses not subject to deferred tax asset	(3,279)	(6,416)
Effect of investments accounted for by the equity method	198,912	84,878
Effect of expenses non- deductible/not subject to tax	(470,416)	(386,976)
Effect of change in statutory tax rate on deferred tax	(198,625)	39,868
Discounts and exceptions	342,967	156,467
Monatary gain/loss	(783,873)	(60,055)
Disposal of subsidiary	-	(439,371)
Other	(7,162)	(174)
31 December	**(1,478,942)**	**(539,659)**

NOTE 34 - EARNING/LOSS PER SHARE

Earning/(loss) per share for each class of shares is disclosed below:

	1 January - 31 December 2023	1 January - 31 December 2022
Net profit/(loss) for the period attributable to equity holders of the Parent Company	296,594	232,125
Weighted average number of shares with face value of TRY1 each [1]	2,590,035	2,590,035
Earning/(loss) per share	**0.1145**	**0.0896**

[1] As explained in detail in Note 25, repurchased shares are excluded.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 35 - RELATED PARTY DISCLOSURES

As of the statement of financial position date, due from and to related parties and related party transactions for the periods ending 31 December 2023 and 31 December 2022 are disclosed below:

i) Balances with related parties:

Short term trade receivables from related parties

	31 December 2023	31 December 2022
D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") [2] [3] [4]	6,549	8,894
Hepsi Finansal Danışmanlık A.Ş. [1]	-	7,100
Gümüştaş Madencilik ve Ticaret A.Ş. ("Gümüştaş") [3] [4] [5]	569	3,673
Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") [5]	583	657
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	5,978	-
Other	1,945	1,639
Total	**15,624**	**21,963**

(1) Receivables related to Group's management activities within the scope of holding services.
(2) Receivables related to trade good sales of the Group.
(3) Receivables related to rent service sales of the Group.
(4) Receivables related to fuel oil sales of the Group.
(5) Receivables related to managerial cost of the Group.

Short term receivables from finance sector operations to related parties

	31 December 2023	31 December 2022
D Market [1]	10,331	1,346
Total	**10,331**	**1,346**

(1) Consists of receivables of D Yatırım, a subsidiary of the Group.

Short term trade payables to related parties

	31 December 2023	31 December 2022
D Market [1]	5,006	7,617
Ortadoğu Otomotiv [2]	725	1,185
Doğan Burda	3,373	-
Other	1,134	226
Total	**10,238**	**9,028**

(1) Mostly comprises of purchases of stationery consumables, small fixtures and gift certificates of the Group.
(2) Payables related to rent service purchases of the Group.

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 35 - RELATED PARTY DISCLOSURES (Continued)

i) Balances with related parties: (Continued)

Short-term portion of long-term lease payables to related parties

	31 December 2023	31 December 2022
Ortadoğu Otomotiv	15,053	15,708
Aydın Doğan Vakfı	-	12,811
Other	648	797
Total	**15,701**	**29,316**

Long-term payables to finance sector operations related parties

	31 December 2023	31 December 2022
Aydın Doğan Vakfı	427	20,669
Ortadoğu Otomotiv	2,970	-
Total	**3,397**	**20,669**

ii) Transactions with related parties:

Product and service purchases from related parties

	1 January - 31 December 2023	1 January - 31 December 2022
Ortadoğu Otomotiv [1]	49,656	44,343
D Market	9,791	10,912
Doğan Burda	17,258	-
Aydın Doğan Vakfı	4,586	-
Other	8,494	3,983
Total	**89,785**	**59,238**

(1) Comprises of the lease services purchases of the Group.

Product and service sales to related parties

	1 January - 31 December 2023	1 January - 31 December 2022
D Market	274,107	221,755
Gümüştaş Madencilik	4,135	59,887
Ortadoğu Otomotiv	17,205	10,172
D Elektronik	47,834	8,596
Doğan Burda	43,269	-
Other	31,604	15,423
Total	**418,154**	**315,833**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 35 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with related parties: (Continued)

Remuneration of the members of the Board of Directors and key management personnel:

Group determined member of the Board of Director's, Consultant of the Board, Members of the Executive Board and Vice President's and Chief Legal Counsel as Key Management Personnel, The compensation of board members and key management personnel includes salaries, bonus, health insurance, communication and transportation benefits and total amount of compensation is explained below:

	1 January - 31 December 2023	1 January - 31 December 2022
Salaries and other short term benefits	165,384	89,644
Total	**165,384**	**89,644**

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Instruments and Financial Risk Management

The Group's activities expose it to a variety of financial risks; these risks are credit risk, market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, and liquidity risk, The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group, The Group uses derivative financial instruments in a limited manner to hedge these exposures.

Financial risk management is carried out by individual subsidiaries and joint ventures under the policies, which are approved by their Board of Directors within the limits of general principles set out by the Group.

a) Market risk

a.1) Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency, These risks are monitored and limited by analyzing foreign currency position, TRY equivalents of foreign currency denominated monetary assets and liabilities as of 31 December 2023 and 31 December 2022 before consolidation adjustments and reclassifications are as follows:

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR, the other currencies have no material impact.

	31 December 2023	31 December 2022
Foreign currency assets	24,794,672	22,807,909
Foreign currency liabilities	(9,280,766)	(8,443,300)
Net foreign currency position	**15,513,906**	**14,364,609**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

Sensitivity analysis of foreign currency risk as of 31 December 2023 and 31 December 2022 and foreign currency denominated asset and liability balances are summarized below. The recorded amounts of foreign currency assets and liabilities held by the Group are as follows, in terms of foreign currency:

31 December 2023	**TRY Equivalent**	**USD**	**EUR**	**Other**
1a. Trade Receivables	1,225,931	19,790	17,224	82,310
1b. Receivables From Finance Sector Operations	199,125	502	5,660	-
2a. Monetary Financial Assets (Cash, banks included)	5,940,621	171,990	18,026	290,359
2b. Non-Monetary Financial Assets	16,049,607	497,678	39,099	125,270
3. Other	862,151	28,376	823	-
4. Current Assets (1+2+3)	**24,277,435**	**718,336**	**80,832**	**497,939**
5a. Trade Receivables	-	-	-	-
5b. Receivables From Finance Sector Operation	-	-	-	-
6a. Monetary Financial Assets				
6b. Non-Monetary Financial Assets	419,429	14,183	58	-
7. Other	97,808	3,322	-	-
8. Non-Current Assets (5+6+7)	**517,237**	**17,505**	**58**	**-**
9. Total Assets (4+8)	**24,794,672**	**735,841**	**80,890**	**497,939**
10a. Trade Payables	512,844	6,127	10,189	603
10b. Payables From Finance Sector Operations	522,928	16,163	1,447	-
11. Financial Liabilities	6,950,184	126,335	98,257	30,502
12a. Other Monetary Liabilities	16,780	-	515	-
12b. Other Non-Monetary Liabilities	9,568	168	142	2
13. Short Term Liabilities (10+11+12)	**8,012,304**	**148,793**	**110,550**	**31,107**
14a. Trade Payables	-	-	-	-
14b. Payables From Finance Sector Operations	-	-	-	-
15. Financial Liabilities	1,268,043	12,129	27,966	-
16a. Other Monetary Liabilities	419	11	3	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**1,268,462**	**12,140**	**27,969**	**-**
18. Total Liabilities (13+17)	**9,280,766**	**160,933**	**138,519**	**31,107**
19. Net Asset/(Liability) Position (9-18)	**15,513,906**	**574,908**	**(57,629)**	**466,832**
20.Derivative instruments classified for hedging purposes	**5,735,992**	**178,527**	**14,750**	**-**
21.Net foreign currency position after the effect off financial instruments classified for hedging purposes (19+20)	**21,249,898**	**753,435**	**(42,879)**	**466,832**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market risk (Continued)

31 December 2022	**TRY Equivalent**	**USD**	**EUR**	**Other**
1a. Trade Receivables	3,197,918	86,292	12,796	72,202
1b. Receivables From Finance Sector Operations	132,636	4,305	-	-
2a. Monetary Financial Assets (Cash, banks included)	2,281,281	29,967	39,377	39,191
2b. Non-Monetary Financial Assets	13,850,901	124,386	294,776	204,117
3. Other	621,812	4,548	895	274,493
4. Current Assets (1+2+3)	**20,084,548**	**249,498**	**347,844**	**590,003**
5a. Trade Receivables	-	-	-	-
5b. Receivables From Finance Sector Operations	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	40,206	1,305	-	-
7. Other	2,683,156	6,824	17	1,500,460
8. Non-Current Assets (5+6+7)	**2,723,362**	**8,129**	**17**	**1,500,460**
9. Total Assets (4+8)	**22,807,910**	**257,627**	**347,861**	**2,090,463**
10a. Trade Payables	2,279,017	58,663	7,655	131,374
10b. Payables From Finance Sector Operations	487,828	9,726	5,702	-
11. Financial Liabilities	2,943,612	62,488	28,783	41,121
12a. Other Monetary Liabilities	3,889	-	63	1,102
12b. Other Non-Monetary Liabilities	59,437	717	54	21,563
13. Short Term Liabilities (10+11+12)	**5,773,783**	**131,594**	**42,257**	**195,160**
14a. Trade Payables	-	-	-	-
14b. Payables From Finance Sector Operations	-	-	-	-
15. Financial Liabilities	2,648,417	40,413	42,577	-
16a. Other Monetary Liabilities	4,792	8	2	2,718
16b. Other Non-Monetary Liabilities	16,309	-	-	9,898
17. Non-Current Liabilities (14+15+16)	**2,669,518**	**40,421**	**42,579**	**12,616**
18. Total Liabilities (13+17)	**8,443,301**	**172,015**	**84,836**	**207,766**
19. Net Asset/(Liability) Position (9-18)	**14,364,609**	**85,612**	**263,025**	**1,882,687**
20.Derivative instruments classified for hedging purposes	**1,190,687**	**(1,914)**	**19,311**	**-**
21.Net foreign currency position after the Effect off financial instruments classified for hedging purposes (19+20)	**15,555,296**	**83,698**	**282,336**	**1,882,687**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market Risk (Continued)

31 December 2023	**Income/(Loss)**	
	Foreign currency appreciates	**Foreign currency depreciates**
If the USD had changed by 20% against the TRY		
1- USD net assets/(liabilities)	3,384,851	(3,384,851)
2- Hedging amount of USD (-)	-	-
3- USD net effect on income/(loss) (1+2)	**3,384,851**	**(3,384,851)**
If the EUR had changed by 20% against the TRY		
4- EUR net assets/(liabilities)	(375,440)	375,440
5- Hedging amount of EUR (-)	96,093	(96,093)
6- EUR net effect on income/(loss) (4+5)	**(279,347)**	**279,347**
If the other currencies had changed by 20% against the TRY		
7- Other currency net assets/(liabilities)	93,366	(93,366)
8- Hedging amount of other currency (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	**93,366**	**(93,366)**
TOTAL (3+6+9)	**3,198,870**	**(3,198,870)**

31 December 2022	**Income/(Loss)**	
	Foreign currency appreciates	**Foreign currency depreciates**
If the USD had changed by 20% against the TRY		
1- USD net assets/(liabilities)	527,537	(527,537)
2- Hedging amount of USD (-)	-	-
3- USD net effect on income/(loss) (1+2)	**527,537**	**(527,537)**
If the EUR had changed by 20% against the TRY		
4- EUR net assets/(liabilities)	1,727,868	(1,727,868)
5- Hedging amount of EUR (-)	-	-
6- EUR net effect on income/(loss) (4+5)	**1,727,868**	**(1,727,868)**
If the other currencies had changed by 20% against the TRY		
7- Other currency net assets/(liabilities)	620,431	(620,431)
8- Hedging amount of other currency (-)	-	-
9- Other currency net effect on (loss)/income (7+8)	**620,431**	**(620,431)**
TOTAL (3+6+9)	**2,875,836**	**(2,875,836)**

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market Risk (Continued)

a.2) Interest rate risk

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

As of 31 December 2023, there are floating interest rate loans in total of USD20,980 (31 December 2022: 15,469), EUR27,877 (31 December 2022: 28,822).

As of 31 December 2023 if interest rates on Euro denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, profit before income taxes would have been TRY16,673 (31 December 2022: TRY9,928) higher/lower, mainly as a result of additional interest expense on floating rate borrowings.

The table presenting Group's fixed and floating rate financial instruments is shown below:

	31 December 2023	31 December 2022
Financial instruments with fixed rate		
Financial Assets		
- Cash and cash equivalents (Note 6)	9,787,506	8,764,626
- Receivables from finance sector operations (Note 10)	4,776,621	3,032,323
- Financial investments (Note 7)	22,244,844	16,550,082
Financial liabilities		
- Payables from finance sector operations (Note 10)	775,061	354,689
- Financial liabilities (Note 8)	19,221,066	17,973,203
Financial instruments with floating rate		
Financial liabilities (Note 8)	1,667,280	1,635,831

The weighted average annual interest rates (%) of the Group's financial assets and liabilities are as follows:

	31 December 2023			31 December 2022		
	USD	EUR	TRY	USD	EUR	TRY
Assets						
Cash and cash equivalents (Note 6)	3.05	6.10	26.25	3.82	3.37	18.84
Financial investments (Note 7)	4.89	1.84	-	5.14	4.94	-
Receivables from finance sector operations (Note 10)	16.00	14.36	46.06	11.83	-	32.24
Liabilities						
Financial liabilities (Note 8)	8.39	6.45	28.00	4.59	4.73	19
Payables from finance sector operations (Note 10)	4.76	5.25	42.96	-	-	22.32

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) Market Risk (Continued)

The distribution of interest rate sensitivity regarding the remaining period for repricing of financial assets and liabilities are as follows:

31 December 2023	**Up to 1 year**	**1 year- 5 years**	**Over 5 years**	**Free of Interest**	**Total**
Assets					
Cash and cash equivalents (Note 6)	9,787,506	-	-	2,335,552	12,123,058
Financial investments (Note 7)	22,244,844	-	-	-	22,244,844
Receivables from finance sector operations (Note 10)	4,776,621	-	-	-	4,776,621
Total	**36,808,971**	**-**	**-**	**2,335,552**	**39,144,523**
Payables from finance sector operations (Note 10)	775,061	-	-	-	775,061
Short and long term financial liabilities (Note 8)	15,696,177	5,153,311	38,858	-	20,888,346
Total	**16,471,238**	**5,153,311**	**38,858**	**-**	**21,663,407**

31 December 2022	**Up to 1 year**	**1 year- 5 years**	**Over 5 years**	**Free of Interest**	**Total**
Assets					
Cash and cash equivalents (Note 6)	8,764,625	-	-	2,851,147	11,615,772
Financial investments (Note 7)	16,550,082	-	-	-	16,550,082
Receivables from finance sector operations (Note 10)	3,032,323	-	-	-	3,032,323
Total	**28,347,030**	**-**	**-**	**2,851,147**	**31,198,177**
Payables from finance sector operations (Note 10)	354,689	-	-	-	354,689
Short and long term financial liabilities (Note 8) (1)	15,326,696	4,209,940	72,398	-	19,609,034
Total	**15,681,385**	**4,209,940**	**72,398**	**-**	**19,963,723**

(1) Bank borrowings and financial leasing amounts are included in the distribution of interest rate sensitivity regarding the remaining time to repricing of financial borrowings.

(Amounts expressed in thousands according to purchasing power of Turkish Lira (“TRY”) at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements, These risks are monitored by credit ratings and by setting credit limits to individual counterparties, The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

The table representing the Group’s credit risk of financial instruments as of 31 December 2023 is as follows:

	Trade receivables		Receivables from finance sector operations		Other receivables		Cash on deposit
	Related Party	**Other**	**Related Party**	**Other**	**Related Party**	**Other**	
Maximum net credit risk as of the reporting date	**15,624**	**5,395,738**	**36,302**	**4,740,319**	**-**	**610,434**	**11,974,059**
- The part of maximum risk under guarantee with collateral	**-**	**502,995**	**250,362**	**4,612,786**	**-**	**63,770**	**407,079**
A, Net book value of neither past due nor impaired financial assets	15,624	5,014,820	36,302	4,740,319	-	610,434	11,974,059
- Guaranteed amount by collateral	-	416,559	250,362	4,612,786	-	63,770	407,079
B, Book value of restructured otherwise accepted as past due and impaired financial assets	-	-	-	-	-	-	-
C, , Net book value of past due but not impaired assets (Note 9, 10)	-	380,918	-	-	-	-	-
Guaranteed amount by collateral (Note 9, 10)	-	86,436	-	-	-	-	-
D Impaired asset net book value	-	-	-	-	-	-	-
- Past due (gross amount) (Note 9, 10)	-	74,346	-	41,936	-	-	103
- Impairment (-) (Note 9, 10)	-	(74,346)	-	(41,936)	-	-	(103)
Net value collateralized or guaranteed	-	-	-	-	-	-	-

(Amounts expressed in thousands according to purchasing power of Turkish Lira ("TRY") at 31 December 2023 unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk (Continued)

The table representing the Group's credit risk of financial instruments as of 31 December 2022 is as follows:

	Trade receivables		Receivables from sector operations		Other receivables		Cash on deposit
	Related Party	Other	Related Party	Other	Related Party	Other	
Maximum net credit risk as of the reporting date	**21,963**	**8,398,298**	**1,346**	**3,030,976**	**-**	**353,301**	**11,481,285**
- The part of maximum risk under guarantee with collateral	**-**	**2,289,170**	**-**	**2,991,861**	**-**	**-**	**-**
A, Net book value of neither past due nor impaired financial assets	21,963	7,914,080	1,346	3,030,976	-	353,301	11,481,285
- Guaranteed amount by collateral	-	2,118,625	-	2,991,861	-	-	-
B, Book value of restructured otherwise accepted as past due and impaired financial assets							
C, Net book value of past due but not impaired assets (Note 9, 10)	-	484,218	-	-	-	-	-
- Guaranteed amount by collateral (Note 9, 10)	-	170,545	-	-	-	-	-
- D, Impaired asset net book value		- -	-	-	-	-	
- Past due (gross amount) (Note 9, 10)	-	172,634	-	78,547	-	-	-
- Impairment (-) (Note 9, 10)	-	(172,634)	-	(78,547)	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-	-	-

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NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Credit risk (Continued)

Trade receivable

The aging of the receivables of the Group, which are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

	31 December 2023		31 December 2022	
	Related Party	**Other Receivables**	**Related Party**	**Other Receivables**
Maturity				
1-30 days overdue	94,458	309,417	-	272,254
1-3 months overdue	58	55,156	-	94,761
3-12 months overdue	9	13,957	-	45,845
1-5 years overdue	-	2,388	-	71,358
More than 5 years overdue	-	-	-	-
Total	**94,525**	**380,918**	**-**	**484,218**

	1 December 2023			31 December 2022		
	Trade Receivables	**Credit loss ratio**	**Expected credit loss (1)**	**Trade Receivables**	**Credit loss ratio**	**Expected credit loss (1)**
Not overdue	1,318,685	(0.05%)	(639)	1,212,483	0.06%	765
1 - 30 days overdue	403,875	(0.25%)	(1,022)	272,254	0.98%	2,668
1 - 3 months overdue	55,214	(0.67%)	(369)	94,761	1.02%	964
3 - 12 months overdue	13,697	(3.97%)	(555)	45,845	3.16%	1,447
More than 1 year overdue	2,388	(6.37%)	(152)	71,358	1.82%	1,298
Total	**1,794,129**		**(2,737)**	**1,696,701**		**7,142**

(1) The balance consists of trade receivables of the companies for which the credit loss is calculated.

Receivables from finance sector operations

As of 31 December 2023, the rating concentration of the overdue corporate and commercial loans of the finance sector is as follows:

	Rating	**Distrubution level (%)**
Above average	1,509,832	90.59
Average	138,184	8.29
Below average	18,571	1.11
	1,666,588	**100**

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NOTE 36 - FINANCIAL RISK MANAGEMENT OBJETIVES AND POLICIES (Continued)

b) Credit risk (Continued)

Sectoral details of receivables from finance sector activities are as follows:

	31 December 2023	%
Food and retail	479,661	29.35
Financial institutions	403,210	28.78
Production	489,120	24.19
Other sectors	294,597	17.68
	1,666,588	**100**

	31 December 2022	%
Food and retail	405,612	38.39
Financial institutions	462,727	43.80
Production	77,534	7.34
Other sectors	110,648	10.47
	1,056,021	**100**

c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

As of 31 December 2023 and 31 December 2022 undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

31 December 2023	Book value	Constructual undiscounted cash flow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non-derivative financial liabilities						
Short term and long term financial liabilities (Note 8)	20,123,201	22,391,796	9,264,385	7,587,954	5,346,747	192,710
Lease payables (Note 8)	764,079	1,108,469	47,844	139,250	401,690	519,685
Other financial liabilities	390,492	390,492		390,492		
Trade payables to non-related parties (Note 9)	2,908,437	2,908,437	2,578,946	329,491	-	-
Payables from finance sector operations to non-related parties (Note 10)	775,061	775,061	-	775,061	-	-
Other payables to non-related parties (Note 11)	618,479	618,479	618,479	-	-	-
Trade payables to related parties (Note 35)	10,238	10,238	10,238	-	-	-
Total	**25,589,987**	**28,202,972**	**12,519,892**	**9,222,248**	**5,748,437**	**712,395**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

c) Liquidity risk (Continued)

31 December 2022	**Book value**	**Constructual undiscounted cash flow**	**Less than 3 months**	**3-12 months**	**1-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Short term and long term financial liabilities (Note 8)	18,488,245	20,612,395	9,880,631	6,595,290	3,699,063	437,411
Lease payables (Note 8)	1,120,789	1,468,455	89,149	242,750	660,982	475,574
Other financial liabilities	390,492	390,492		390,492		
Trade payables to non-related parties (Note 9)	4,907,987	4,907,987	4,351,971	556,016	-	-
Payables from finance sector operations to non-related parties (Note 10)	354,591	354,591	-	354,591	-	-
Other payables to related parties (Note 35)						
Other payables to non-related parties (Note 11)	269,842	269,842	269,842	-	-	-
Trade payables to related parties (Note 35)	9,028	9,028	9,028	-	-	-
Total	**25,150,482**	**27,622,298**	**14,600,621**	**7,748,647**	**4,360,045**	**912,985**

d) Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. 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.

The following methods and assumptions are used in the estimation of the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at the period end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature and immateriality of losses on collectability. The fair value of investment securities has been estimated based on the market prices at the statement of financial position dates.

Trade receivables are disclosed at their amortized cost using the effective interest rate method and the carrying values of trade receivables along with the related allowances for collectability are estimated to be at their fair values.

The estimated fair value of receivables from finance sector operations represents the discounted amount of estimated future cash flows expected to be received, Expected cash flows are discounted at current market rates with similar currency and remaining maturity in order to determine their fair value.

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

d) Fair value of financial instruments(Continued)

Monetary liabilities

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their amortized cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

The estimated fair value of demand deposits with no stated maturity classified under payables to finance sector operations, represents the amount repayable on demand. The fair value of overnight deposits is considered to approximate their carrying values. The estimated fair value of fixed-interest deposits is calculated based ondiscounted cash flows using market interest rates applied to similar loans and other debts. In case the maturities are short-term, the carried value is assumed to reflect the fair value.

e) Capital risk management

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

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

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated statement of financial position.

NOTE 37 - FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- First Level: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Second Level: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on prices from observable current market transactions.
- Third Level: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 37 - FINANCIAL INSTRUMENTS (Continued)

The level classifications of financial assets and liabilities stated at their fair values are as follows:

		Fair value level as of reporting date		
Financial assets	**31 December 2023**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Derivative instruments held for trading purposes at fair value through profit/loss (Note 23)	314,183	-	314,183	-
Financial assets at fair value through other comprehensive income (Note 7)	1,870,301	-	1,870,301	-
Bonds, bills and stocks (Note 7)	22,244,844	22,244,844	-	-
Total	**24,429,328**	**22,244,844**	**2,184,484**	**-**
Financial liabilities				
Derivative instruments held for trading at fair value through profit/loss (Note 23)	56,042	-	-	56,042
Total	**56,042**	**-**	**-**	**56,042**

		Fair value level as of reporting date		
Financial assets	**31 December 2022**	**Level 1 TRY**	**Level 2 TRY**	**Level 3 TRY**
Derivative instruments held for trading purposes at fair value through profit/loss (Note 23)	310,590	-	310,590	-
Financial assets at fair value through other comprehensive income (Note 7)	1,513,360	-	1,513,360	-
Bonds, bills and stocks (Note 7)	16,550,082	16,550,082	-	-
Total	**18,374,032**	**16,550,082**	**1,823,950**	**-**
Financial liabilities				
Derivative instruments held for trading at fair value through profit/loss (Note 23)	26,493	-	-	26,493
Total	**26,493**	**-**	**-**	**26,493**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

NOTE 38 - SHARES IN OTHER OPERATIONS

The financial information required to be disclosed in accordance with TFRS 12 of Karel, the subsidiary of the Group, which the Group controls but does not fully own and whose non-controlling shares are material to the consolidated financial statements, is presented below.

KAREL	31 December 2023	31 December 2022
Current assets	5,416,963	5,887,339
Non-current assets	2,852,154	2,526,695
Short term liabilities	4,977,231	5,450,846
Long term liabilities	757,476	768,688
Total shareholders' equity	2,534,411	2,194,500

	1 January - 31 December 2023	1 January - 31 December 2022
Revenue	9,458,141	6,384,327
Cost of goods sold	(8,137,073)	(6,041,066)
Gross profit/(loss)	1,321,069	343,261
Profit/(loss) before tax	514,127	(147,265)
Period Profit / (Loss)	291,421	(170,162)
Parent Partnership Shares	234,945	(191,805)

NOTE 39 - FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR/INDEPENDENT AUDITING COMPANY

Information regarding the fees for the services received from the independent audit firms, in accordance with the letter of POA dated 19 August 2021 that was prepared considering the Board Decision published in the Official Gazette on 30 March 2021, is as follows:

	31 December 2023	31 December 2022
Independent audit fee for the reporting period	26,768	19,253
Fee for other assurance services	1,758	540
	28,526	**19,793**

NOTE 40 - EVENTS AFTER THE REPORTING PERIOD

Indirect Subsidiary Financial Fixed Asset Acquisition

Pursuant to material event disclosure dated 12 January 2024, the Company's indirect subsidiary, Glokal Dijital Pazarlama and Ticaret A.Ş., purchased and took over all shares of Zingat. With this transaction, Property Finder Group has become a 16.02% shareholder of Hepsi Emlak has been completed.

Share Buyback Transactions

With the adoption of the "Share Repurchase Program" prepared taking into account the regulations of the Repurchased Shares Communiqué numbered II-22.1 published in the Official Gazette, the total amount of repurchased shares as of 1 January 2024 is 145,861,875.84 nominal TRY (exact).

Tax Regulations in Financial Statements as of 31 March 2024

With the TPL Communiqué No. 560 in the Official Gazette dated 30 April 2024, it was regulated that no inflation adjustment will be made in the 1st provisional taxation period of 2024. This regulation is not optional and covers all taxpayers who are obliged to make inflation adjustments.

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