

**MODA BAGNO IC VE DIS TICARET  
INSAAT TURIZM VE SANAYI A.S.  
Financial Statements  
For the period ended December 31, 2023  
(Including Auditors' Report)**

## Table of Contents

	<u>Page</u>
Auditors' Report	3
Balance Sheets	4
Statement of Income	5
Statement of Changes in Shareholder's Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8-21
Schedule of Net Sales	21
Schedule of Cost of Goods Sold	21
Schedule of Marketing and Selling Expenses	21
Schedule of General and Administration Expenses	21
Schedule of Financial Expenses and Income	22
Schedule of Other Income and Expenses	22
Auditing Techniques and Procedures Applied	22-23

**To the Board of Directors and Shareholders of  
Moda Bagno Ic ve Dis Ticaret Insaat Turizm ve Sanayi A.S.**

We have audited the accompanying financial statements of **Moda Bagno Ic ve Dis Ticaret Insaat Turizm ve Sanayi A.S.**, which comprise the balance sheet as of 31 December 2023, and income statement, the statement of changes in equity and the statement of cash flows for the term ended and a summary of significant accounting policies and other explanatory notes.

***Management Responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Audit Company Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit also comprehended the translation of the Turkish Lira amounts into EUR amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 3 and presented solely for the convenience of the readers outside Turkey.

***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of **Moda Bagno Ic ve Dis Ticaret Insaat Turizm ve Sanayi A.S.** as of 31 December 2023, and of its financial performance and its cash flows for the term ended in accordance with International Financial Reporting Standards.

Istanbul, 19 January 2024

**İŞİK Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.**  
**An independent member of BKR International**

**Aslı Şahin Özacar**  
**Audit Partner**

**Statement of financial position of MODA BAGNO IC VE DIS TICARET INSAAT VE TURIZM A.S.**  
(amounts in EUR and TL)

		(IAS 29 Applied)	(IAS 29 Applied)	stated at purchasing power of 31.12.2023 (IAS 29 Applied)	purchasing power of 31.12.2023 (IAS 29 Applied)
	Note	EUR 31.12.2023	TL 31.12.2023	EUR 31.12.2022	TL 31.12.2022
<b>Assets</b>					
<b>Non-current assets</b>					
Trade and other receivables - net	5	-	-	-	-
Intangible assets - net	13	114.850	3.380.974	68.052	2.003.317
Property , Plant & Equipment - net	12	11.092	326.525	11.916	350.787
Rights of Use Assets	11	577.637	17.004.589	821.323	24.178.261
Deferred tax assets	17	37.977	1.117.972	27.098	797.703
Other non-current assets	10	3.863	113.720	4.081	120.133
Other non-current assets for sale		-	-	-	-
		<b>745.419</b>	<b>21.943.780</b>	<b>932.469</b>	<b>27.450.200</b>
					0
<b>Current assets</b>					0
Inventories - net	7	1.453.043	42.774.972	1.285.590	37.845.461
Trade and other receivables - net	5	16.743	492.895	11.786	346.955
Receivables from related parties	6	304.460	8.962.764	307.016	9.037.995
Advances Given	8	174.995	5.151.549	240.008	7.065.392
Prepaid expenses and other current assets	9	5.189	152.763	17.532	516.104
Cash and cash equivalents	4	1.774.109	52.226.588	1.969.457	57.977.277
		<b>3.728.541</b>	<b>109.761.532</b>	<b>3.831.389</b>	<b>112.789.183</b>
<b>Total assets</b>		<b>4.473.959</b>	<b>131.705.311</b>	<b>4.763.857</b>	<b>140.239.383</b>
					0
<b>Equity</b>					0
Share capital	19	1.992.504	58.655.730	1.992.504	58.655.729
Actual Gains or Losses	21	-48.022	1.413.670	-40.132	1.181.426
Retained earnings/losses	20	-523.776	15.419.015	-286.572	8.436.159
Profit for the year		870.152	25.615.722	-243.360	7.164.067
		<b>2.290.859</b>	<b>67.438.767</b>	<b>1.422.440</b>	<b>41.874.078</b>
Minority interest					
<b>Total equity</b>		<b>2.290.859</b>	<b>67.438.767</b>	<b>1.422.440</b>	<b>41.874.078</b>
					-
<b>Liabilities</b>					0
<b>Long term liabilities</b>					0
Other Financial Liabilities	11	358.841	10.563.638	617.845	18.188.233
Provision for employee benefits	18	91.925	2.706.111	83.823	2.467.612
Other provisions		-	-	-	-
		<b>450.766</b>	<b>13.269.749</b>	<b>701.668</b>	<b>20.655.845</b>
<b>Short term liabilities</b>					0
Trade and other payables	14	47.543	1.399.593	284.659	8.379.858
Advances Received	15	1.187.985	34.972.153	1.977.043	58.200.582
Current tax liabilities	16	97.553	2.871.795	102.263	3.010.453
Other Financial Liabilities	11	313.638	9.232.925	251.857	7.414.226
Provisions for Taxation	17	85.614	2.520.328	23.926	704.341
Other liabilities		-	-	-	-
		<b>1.732.334</b>	<b>50.996.795</b>	<b>2.639.749</b>	<b>77.709.460</b>
<b>Total liabilities</b>		<b>2.183.100</b>	<b>64.266.544</b>	<b>3.341.417</b>	<b>98.365.305</b>
<b>Total Equity and Liabilities</b>		<b>4.473.959</b>	<b>131.705.311</b>	<b>4.763.857</b>	<b>140.239.383</b>

**Statement of Total Revenues of MODA BAGNO IC VE DIS TICARET INSAAT VE TURIZM A.S.**  
(amounts in EUR and TL)

	Note	1/1 - 31/12/2023 (IAS 29 Applied)		1/1 - 31/12/2022 stated at purchasing power of 31.12.2023	
		Continuing activities EUR	Continuing activities TL	Continuing activities EUR	Continuing activities TL
Total sales	S1	5.894.560	173.525.228	3.722.425	109.581.488
Cost of Sales	S2	-2.675.630	-78.765.731	-1.712.546	-50.414.279
<b>Gross profit</b>		<b>3.218.930</b>	<b>94.759.497</b>	<b>2.009.879</b>	<b>59.167.210</b>
Distribution expenses	S3	-27.549	-811.003	-26.830	-789.815
Administration expenses	S4	-899.982	-26.493.852	-815.939	-24.019.768
Other income/expenses (net)	S6	-212.857	-6.266.130	-150.103	-4.418.762
<b>Operating results</b>		<b>2.078.541</b>	<b>61.188.513</b>	<b>1.017.007</b>	<b>29.938.864</b>
Financial income/expenses (net)	S5	-83.195	-2.449.116	-23.655	-696.357
<b>Profit / (Loss) before monetary gain/(loss)</b>		<b>1.995.346</b>	<b>58.739.397</b>	<b>993.352</b>	<b>29.242.507</b>
Monetary gain/(loss)		-753.592	-22.184.389	-1.056.690	-31.107.057
<b>Profit / (Loss) before tax</b>		<b>1.241.754</b>	<b>36.555.008</b>	<b>-63.338</b>	<b>-1.864.550</b>
Income tax	17	-371.602	-10.939.286	-180.022	-5.299.518
<b>Profit / (Loss) after tax</b>		<b>870.152</b>	<b>25.615.722</b>	<b>-243.360</b>	<b>-7.164.068</b>

Statement of Changes in Equity-MODA BAGNO IC VE DIS TICARET INSAAT VE TURIZM A.S.

	EUR		EUR		EUR		EUR		EUR					
	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total
Balance as at 1/1/2020														
Profit / (Loss) after taxes as at 31/12/2020														
Actual Gains or Losses														
Transfer														
Increase / Decrease of share capital														
Dividends paid														
Acquisition of companies														
Tax adjustment														
Employee Termination Benefit														
Balance as at 31/12/2022	1.856.647,77	48.021,63	-523,776	870.152	-	-	2.290.859							

	EUR		EUR		EUR		EUR		EUR					
	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total
Balance as at 1/1/2023														
Profit / (Loss) after taxes as at 1/1/2020														
Actual Gains or Losses														
Transfer														
Increase / Decrease of share capital														
Dividends paid														
Acquisition of companies														
Tax adjustment														
Employee Termination Benefit														
Balance as at 31/12/2023	1.856.647,77	-40.132	-286.572	-243.360	-	-	1.422.440							

	TL		TL		TL		TL		TL					
	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total
Balance as at 1/1/2022														
Profit / (Loss) after taxes as at 1/1/2020														
Actual Gains or Losses														
Transfer														
Increase / Decrease of share capital														
Dividends paid														
Acquisition of companies														
Tax adjustment														
Employee Termination Benefit														
Balance as at 31/12/2022	54.656.368	-1.181.426	-8.456.159	-7.164.067	-	-	41.874.078							

	TL		TL		TL		TL		TL					
	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total	Capital Inflation Differences	Actual Gains or Losses	Retained earnings	Profit for the year	Minority interest	Exchange Differences	Total
Balance as at 1/1/2023														
Profit / (Loss) after taxes														
Actual Gains or Losses														
Transfer														
Increase / Decrease of share capital														
Dividends paid														
Acquisition of companies														
Tax adjustment														
Employee Termination Benefit														
Balance as at 31/12/2023	54.656.368,48	-1.413.670	-15.419.014	25.615.722	-	-	67.438.767							

**Cash Flow Statement-MODA BAGNO IC VE DIS TICARET INSAAT VE TURIZM A.S.**  
(amounts in EUR and TL)

	EUR	TL	EUR	TL
	1/1 - 31/12/2023	1/1 - 31/12/2023	1/1 - 31/12/2022	1/1 - 31/12/2022
<b>Cash flows from Operating activities</b>				
Profit / (Loss) before tax (Continuing activities)	1.241.754	36.555.008	-63.338	-1.864.550
<b>Add / Deduct adjustments for:</b>				
Depreciation and amortization	297.405	8.755.080	284.715	8.381.489
Provisions	8.102	238.499	15.516	456.769
<b>Add / deduct adjustments in changes of working capital accounts related to operating activities :</b>				
(Increase) / Decrease of inventories	-167.453	-4.929.511	-148.083	-4.359.310
(Increase) / Decrease of receivables	75.171	2.212.887	134.598	3.962.334
Increase / (Decrease) of payables (except bank loans)	-1.030.883	-30.347.351	716.449	21.090.977
<b>Minus:</b>				
Interest and similar charges paid	0	-	-	-
Income Tax paid	-301.603	-8.878.640	-178.932	-5.267.431
<b>Net cash inflow/(outflow) from operating activities</b>	<b>122.493</b>	<b>3.605.971</b>	<b>760.926</b>	<b>22.400.279</b>
<b>Cash flows from Investing activities:</b>				
Acquirement of companies	-	-	-	-
Purchases of tangible or intangible assets	-67.144	-1.976.589	80.307	2.364.104
Rights of Use Assets	-30.048	-884.551	664.671	19.566.714
Actual Gains or Losses	-29.582	-870.836	10.355	304.821
<b>Net cash inflow/(outflow) from investing activities</b>	<b>-126.773</b>	<b>-3.731.976</b>	<b>-755.333</b>	<b>-22.235.639</b>
<b>Cash flows from financing activities:</b>				
Other Financial payables	-197.223	-5.805.896	492.271	14.491.563
Previous year adjustment	6.156	181.212	9.395.45	276.585.00
<b>Net cash inflow/(outflow) from financing activities</b>	<b>-191.068</b>	<b>-5.624.685</b>	<b>501.666</b>	<b>14.768.148</b>
<b>Net increase/(decrease) in cash</b>	<b>-195.348</b>	<b>-5.750.689</b>	<b>507.259</b>	<b>14.932.788</b>
<b>Cash at beginning of year</b>	<b>1.969.457</b>	<b>57.977.277</b>	<b>1.462.198</b>	<b>43.044.489</b>
<b>Cash at end of the period</b>	<b>1.774.109</b>	<b>52.226.588</b>	<b>1.969.457</b>	<b>57.977.277</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

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**1. ORGANIZATION AND OPERATIONS OF THE COMPANY**

MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S. was established on September 5, 2000. The head office of the company locates in Aytar Cd. Nr: 20 1.Levent /İstanbul. The Company supplies high-end decoration products to the construction industry and final consumers.

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

The Company maintains its books of accounts and prepares its “Statutory Financial Statements” in accordance with Turkish Commercial Code and tax legislation (collectively, Turkish Practices”). These IFRS Financial Statements are based on the statutory records, which had been maintained under the historical cost conversion with adjustments and re-classifications including restatement for the changes in the general purchasing power of Turkish Lira for before 2006, for the purpose of true and fair presentation, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

**3. SUMMARY of SIGNIFICANT ACCOUNTING POLICIES**

**a. The annual change in TL exchange rate against the Euro and the rates of the general price inflation in Turkey:**

The annual change in TL exchange rate against the Euro can be compared with the rates of the general price inflation in Turkey according to the WPI as set out below:

Year	2023	2022	2021	2020	2019
<b>Currency Deflation</b>					
EUR (%)	47,67	19,34	62,99	35,44	10,33
PPI Inflation (%)	64,77	138,31	79,89	25,15	7,36

As of December 31, 2023 Euro = 29,4382 TL the exchange rate announced by the Turkish Central Bank (which is a market rate) .

**b. Inventories**

Inventories are stated at the lower of cost and net realizable value (market value less sales expenses) using the weighted average method. Cost comprises purchase cost and, where applicable, conversion costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

**c. Trade Receivables and Trade Payables**

Trade receivables are created by the Company by way of providing goods or services directly to a debtor. A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The Company has allocated the provision for the doubtful receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

**d. Tangible Fixed Assets**

Tangible assets that are acquired before 1 January 2006 are carried at their restated costs adjusted to the effects of inflation as of 31 December 2005, less any accumulated depreciation and any impairment loss and tangible assets that are acquired after 1 January 2006 are carried at cost of acquisition, less any accumulated depreciation and any impairment loss. Gains or losses on disposals of tangible assets with respect to their restated amounts are included in the related income and expense accounts, as appropriate where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.



**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

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Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. The rate of depreciation for tangible assets is as follows:

Motor Vehicles	%
	20
Furniture and fixtures	14-25

**e. Intangible assets**

Intangible assets that are acquired before 1 January 2006 are carried at their restated costs adjusted to the effects of inflation as of 31 December 2005, less any accumulated depreciation and any impairment loss and intangible assets that are acquired after 1 January 2006 are carried at cost of acquisition, less any accumulated depreciation and any impairment loss.

Intangible fixed assets are amortized on a straight-line basis over their estimated useful lives. The rate of amortizations for intangible assets is as follows:

Rights	%
	20-33
Leasehold Improvements	20
Others	20-33

**f. Impairment of assets:**

At each balance sheet date, the Company reviews the carrying amounts of all of its assets, to determine whether there is any indication that those assets have suffered from an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) at each balance sheet date. The impairment losses are recognized in the income statement.

If the impairment loss of an asset is followed by an increase in its recoverable amount which can be also justified by a related event, the increase in the recoverable amount can be adjusted in the financial statements by reversing the recognized impairment loss to the extent that the adjustment should not exceed the total amount of the recognized impairment loss.

**g. Borrowing costs**

Interest expenses directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale; are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recorded in the income statement in the period in which they are incurred.

**h. Foreign Currency Transactions and Translation**

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates announced by the Turkish Central Bank at Balance Sheet date. Exchange gains or losses arising on the settlement and translation of foreign currency items have been included in the statement of income. The accompanying financial statements are stated in Turkish Lira and translated into Euro solely for the convenience of the readers outside Turkey. The translations have been made at the rate of 20,8021 TL to 1 Euro, the buying rate of exchange at December 31, 2023 as published by the Turkish Central Bank.

**i. Employees' Termination Benefits**

According to the Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Numerous changes or clarifications are made under the IAS 19 Employee Benefits Standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement.

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

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**j. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

**k. Taxation and deferred income taxes**

Taxes on income for the year comprise of current tax and change in deferred taxes. The Company accounts for current and

red taxation on the results for the period, in accordance with IAS 12 ("Income Taxes" revised). Provision is made in the financial statements for the Company's estimated liability to Turkish corporation tax on its results for the year. The charge for the current tax is based on the results for the year as adjusted for items, which are non-assessable or disallowed.

Deferred tax assets and liabilities are recognized using the liability method in respect of material temporary differences arising from different treatment of items for accounting and taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are only provided to the extent if it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled and charged or credited in the statement of income. Prepaid corporation taxes and corporation tax liabilities are offset as they relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are also offset.

**l. Related parties**

For the purpose of these financial statements, major shareholders, directors and key management personnel together with their close family members and enterprises controlled by them, associated companies and subsidiaries are considered and referred to as related companies.

**m. Accounting policies, change in accounting estimates and errors**

Accounting principles, policies, assumptions and rules practiced in preparation of financial statements are determined and applied consistently in accordance with International Financial Reporting Standards (IFRS).

The Company can make changes to its accounting policies when such changes will reflect the companies' financial position, performance or cash flows in a more reliable manner. When the accounting policy change affects the current and the prior period results, the change is applied retroactively as if the accounting policy was in effect.

If the application of such change affects the financial results of the following periods, the accounting policy change is applied in the period in which such change is made.

Accounting estimates are made by using reliable data and proper estimating methods. When there are changes in the underlying assumptions, such as availability of new information or occurrence of new events, the company reviews these estimates. If the change in the accounting estimate affects just one period, the change is taken into account in the period in which the change is made. If the change in estimate affects the future periods, the change is applied prospectively.

Errors might stem from miscalculations, incorrect application of accounting policies or misinterpretation of the accounting standards. When the Company realizes a probable error, the financial statements are restated retroactively. The Company shall disclose the nature of error, aggregate amount of adjustments applied to the prior periods and each comparative period in which represents the aggregate amount of these adjustments.

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
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**n. Provisions, contingent liabilities, contingent assets**

The Company shall recognize a provision when it has a present obligation as a result of a past event, and it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Contingent liabilities are reviewed consistently to determine whether there is a possibility of an outflow of resources embodying economic benefits from the company. For items of contingent liabilities, when a future outflow of resources embodying economic benefits from the company becomes probable, such contingent liabilities, except for the reliable estimate cannot be made, are recognized as a provision in the financial statements attributable to the period in which the change in the outflow of resources embodying economic benefits becomes probable. The Company, reflects its related liabilities in the notes to the extent that contingent liabilities are probable but there is no reliable assumption on the amount of resources embodying economic benefits.

An asset is defined as a contingent asset that arises 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 entity. A contingent asset is disclosed where an inflow of economic benefits is probable

**o. Financial Risks**

The Company' financial assets have mainly cash, cash equivalents and receivables. The main purposes of these assets are to provide the Company financial support. The main risks which occurred from financial instruments are credit risk, market risk (Interest Risk, Foreign Exchange Risk) and liquidity risk.

1. Credit Risk
2. Market Risk (Interest Risk, Foreign Exchange Risk)
3. Liquidity Risk

This note presents information about the Company's exposure to each of the above risks. It is The Board of Directors' responsibility to manage the above-mentioned risks

**p. Credit risk**

The Company's credit risk is primarily attributable to its trade receivables. The Company is exposed to credit risk due to its sales. But these risks are mainly abrogated by receiving down payment from customers at taking an order and when goods reached to the customs. Trade receivables presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

	Total Balance	0-30 Days	30-60 Days	60-90 Days	90 -120 Days	120-360 Days	360-720 Days	720<
<b>An analysis of age of financial assets that are not past due at the reporting date, nor impaired.</b>	TL	TL	TL	TL	TL	TL	TL	TL
Trade receivables	492.895			211.011	80.084		94.346	107.453
Advances Given	5.151.549		147.187	883.123	4.121.240		-	-
<b>An analysis of age of financial assets that are past due at the reporting date but not impaired</b>	TL	TL	TL	TL	TL	TL	TL	TL
Receivables from related parties	8.962.764	-	-	-	-	-	-	8.962.764
<b>An analysis of age of financial assets that are impaired at the reporting date</b>	TL	TL	TL	TL	TL	TL	TL	TL
Trade receivables	121.804	-	-	-	-	-	-	121.804
<b>Total</b>	<b>14.729.013</b>	<b>-</b>	<b>147.187</b>	<b>1.094.134</b>	<b>4.201.324</b>	<b>-</b>	<b>94.346</b>	<b>9.192.021</b>
<b>Percentage</b>	<b>100%</b>	<b>0%</b>	<b>1%</b>	<b>7%</b>	<b>29%</b>	<b>0%</b>	<b>1%</b>	<b>62%</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

	Total Balance	0-30 Days	30-60 Days	60-90 Days	90 -120 Days	120-360 Days	360-720 Days	720<
<b>An analysis of age of financial assets that are not past due at the reporting date, nor impaired.</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Trade receivables	16.743	-	-	7.168	2.720	-	3.205	3.650
Advances Given	174.995	-	5.000	29.999	139.996	-	-	-
<b>An analysis of age of financial assets that are past due at the reporting date but not impaired</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Receivables from related parties	304.460	-	-	-	-	-	-	304.460
<b>An analysis of age of financial assets that are impaired at the reporting date</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Trade receivables	4.138	-	-	-	-	-	-	4.138
<b>Total</b>	<b>500.337</b>	<b>-</b>	<b>5.000</b>	<b>37.167</b>	<b>142.717</b>	<b>-</b>	<b>3.205</b>	<b>312.248</b>
<b>Percentage</b>	<b>100%</b>	<b>0%</b>	<b>1%</b>	<b>7%</b>	<b>29%</b>	<b>0%</b>	<b>1%</b>	<b>62%</b>

The amount that best represents its maximum exposure to credit risk at the reporting date without taking account of any collateral held or other credit enhancements is none. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is none.

## 2. Market risk

The Company is exposed to foreign exchange risk through the impact of rate changes at the translation of foreign currency to Turkish Lira due to the nature of its business. Because of all the Company's imports and sales are in foreign currencies.

	31.12.2023			FX RISE % 10	EFFECT ON PL	FX DECREASE %10	EFFECT ON PL
Assets	EUR	USD	TL	TL	TL	TL	TL
<b>Current Assets</b>							
Cash	927		27.289	33.216	3.020	27.176	-3.020
Banks	264.686	552.976	25.804.447	27.390.502	2.490.046	22.410.411	-2.490.046
Trade Receivables	293.785		8.648.508	10.526.703	956.973	8.612.757	-956.973
Advances Given	143.825		4.233.957	5.153.445	468.495	4.216.455	-468.495
<b>Total current assets</b>	<b>703.223</b>	<b>552.976</b>	<b>38.714.201</b>	<b>43.103.866</b>	<b>3.918.533</b>	<b>35.266.799</b>	<b>-3.918.533</b>
<b>Long Term Assets</b>							
Deposits Given	-	3.800	123.781	123.052	11.187	100.679	-11.187
<b>TOTAL ASSETS</b>	<b>703.223</b>	<b>556.776</b>	<b>38.837.982</b>	<b>42.724.978</b>	<b>43.226.917</b>	<b>3.929.720</b>	<b>35.367.478</b>
<b>Current Liabilities</b>							
Trade Payables-Net	20.106		591.870	720.406	65.491	589.423	-65.491
Advances received	159.406	184.240	10.694.041	11.677.786	1.061.617	9.554.552	-1.061.617
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>179.512</b>	<b>184.240</b>	<b>11.285.911</b>	<b>12.398.192</b>	<b>1.127.108</b>	<b>10.143.976</b>	<b>1.127.108</b>
<b>NET FX POSITION</b>	<b>523.712</b>	<b>372.536</b>	<b>27.552.071</b>	<b>30.828.725</b>	<b>2.802.611</b>	<b>25.223.502</b>	<b>-2.802.611</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

A decrease in foreign exchange rate of USD and EUR by 10% in foreign exchange rate would affect TL 2.802.611 decrease in the f/x position, If there occurs a % 10 increase in foreign exchange rate of USD and EUR, this will create a TL 2.802.611 increase in the f/x position.

**3. Liquidity risk**

The Company is generally raising funds by liquidating its short-term financial instruments such as collecting its receivables. The Company's proceedings from these instruments generally approximate their fair values and collecting its receivables in due time.

	Total Balance	0-90 Days	90-180 Days	180-360 Days	360-720 Days	720<
<b>A maturity analysis for financial liabilities that shows the remaining contractual maturities</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Trade Payables	47.543	47.543	-	-	-	-
Advances Received	1.187.985	230.394	790.231	-	-	167.360
Other Short Term Payables	97.553	97.553	-	-	-	-
<b>Total</b>	<b>1.333.082</b>	<b>375.491</b>	<b>790.231</b>	<b>-</b>	<b>-</b>	<b>167.360</b>
<b>%</b>	<b>100%</b>	<b>28%</b>	<b>59%</b>	<b>0%</b>	<b>0%</b>	<b>13%</b>

	Total Balance	0-90 Days	90-180 Days	180-360 Days	360-720 Days	720<
<b>A maturity analysis for financial liabilities that shows the remaining contractual maturities</b>	<b>TL</b>	<b>TL</b>	<b>TL</b>	<b>TL</b>	<b>TL</b>	<b>TL</b>
Trade Payables	1.399.593	1.399.593	-	-	-	-
Advances Received	34.972.153	6.782.391	23.262.979	-	-	4.926.784
Other Short Term Payables	2.871.795	2.871.795	-	-	-	-
<b>Total</b>	<b>39.243.541</b>	<b>11.053.779</b>	<b>23.262.979</b>	<b>-</b>	<b>-</b>	<b>4.926.784</b>
<b>%</b>	<b>100%</b>	<b>28%</b>	<b>59%</b>	<b>0%</b>	<b>0%</b>	<b>13%</b>

**4. Cash/Bank**

As of December 31, 2023 the Cash and Bank accounts consisted of the following:

	December 31, 2023	
	EUR	TL
Cash in hand	1.139	33.526
Banks	1.772.971	52.193.062
<b>TOTAL</b>	<b>1.774.109</b>	<b>52.226.588</b>

**5. Trade and Other Receivables**

As of December 31, 2023 the Current Trade and Other Receivables consisted of the following:

	December 31, 2023	
	EUR	TL
Trade receivables	16.743	492.895
Doubtful Receivables	4.138	121.804
Provision for Doubtful Receivables	-4.138	-121.804
<b>TOTAL</b>	<b>16.743</b>	<b>492.895</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

**6. Receivables from Related Parties**

As of December 31, 2023 the Receivables from Related Parties consisted of the following:

	December 31, 2023	
	EUR	TL
Receivables from Moda Bagno Greece	304.460	8.962.764
<b>TOTAL</b>	<b>304.460</b>	<b>8.962.764</b>

The receivable from Moda Bagno Greece consisted of the balances, which occurred from the return of the goods to Moda Bagno Greece during current period and previous years.

**7. Inventories**

As of December 31, 2023 Inventories consisted of the following:

	December 31, 2023	
	EUR	TL
Trade Goods	1.453.043	42.774.972
<b>TOTAL</b>	<b>1.453.043</b>	<b>42.774.972</b>

**8. Advances Given**

As of December 31, 2023 Advances Given consisted of the following:

	December 31, 2023	
	EUR	TL
Advances Given	50.418	1.484.208
Advances Given Moda Bagno Greece	124.578	3.667.342
<b>TOTAL</b>	<b>174.995</b>	<b>5.151.549</b>

Advances are given for import of trade goods, customs and others.

**9. Other Current Assets**

As of December 31, 2023 Other Current Assets consisted of the following:

	December 31, 2023	
	EUR	TL
Prepaid Expenses	186	5.478
VAT Carried Forward	3.407	100.290
Personnel Work Advances	1.596	46.995
<b>TOTAL</b>	<b>5.189</b>	<b>152.763</b>

**10. Advances and Deposits Given**

As of December 31, 2023 Long Term Advances and Deposits Given consisted of the following:

	December 31, 2023	
	EUR	TL
Deposit Given	3.863	113.720
<b>TOTAL</b>	<b>3.863</b>	<b>113.720</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

**11. Rights of Use Assets**

As of December 31, 2023 Rights of Use Assets consisted of the following:

	December 31, 2023	
	EUR	TL
Rights of Use Assets	1.117.745	32.904.410
Depreciation	-540.108	-15.899.821
<b>TOTAL</b>	<b>577.637</b>	<b>17.004.589</b>

	December 31, 2023	
	EUR	TL
Short Term Liabilities	313.638	9.232.925
Long Term Liabilities	358.841	10.563.638
<b>TOTAL</b>	<b>672.479</b>	<b>19.796.563</b>

**12. Tangible Fixed Assets**

The movement schedules of motor vehicles, furniture and fixtures and related accumulated depreciations are as follows as of December 31, 2023:

	December 31, 2023	
	EUR	TL
<b>Cost</b>		
Vehicles	18.651	549.053
Furniture and Fixtures	12.888	379.404
<b>Total</b>	<b>31.539</b>	<b>928.457</b>
<b>Accumulated Depreciation</b>		
Vehicles	14.154	416.678
Furniture and Fixtures	6.293	185.253
<b>Total</b>	<b>20.447</b>	<b>601.932</b>
<b>Net Fixed Assets</b>	<b>11.092</b>	<b>326.525</b>

	31.12.2022	Addition	Disposals December 31, 2023	
	EUR	EUR	EUR	EUR
<b>Cost</b>				
Vehicles	18.651			18.651
Furniture and Fixtures	8.104	4.784		12.888
<b>TOTAL</b>	<b>26.755</b>	<b>4.784</b>	-	<b>31.539</b>
<b>Accumulated Depreciation</b>				
Vehicles	10.424	3.730	-	14.154
Furniture and Fixtures	4.415	1.878	-	6.293
<b>TOTAL</b>	<b>14.839</b>	<b>5.608</b>	-	<b>20.447</b>
<b>Net Book Value</b>	<b>11.916</b>			<b>11.092</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

	31.12.2022	Addition	Disposals	December 31, 2023
Cost	TL	TL	TL	TL
Vehicles	549.053			549.053
Furniture and Fixtures	238.565	140.839		379.404
<b>TOTAL</b>	<b>787.617</b>	<b>140.839</b>	-	<b>928.457</b>
<b>Accumulated Depreciation</b>				
Vehicles	306.868	109.811		416.678
Furniture and Fixtures	129.962	55.291		185.253
<b>TOTAL</b>	<b>436.830</b>	<b>165.102</b>	-	<b>601.932</b>
<b>Net Book Value</b>	<b>350.787</b>			<b>326.525</b>

**13. Intangible Fixed Assets**

As of December 31, 2023 Intangible Fixed Assets consisted of the following:

	December 31, 2023	
	EUR	TL
<b>Cost</b>		
Rights	3.416	100.553
Leasehold Improvements	144.957	4.267.263
Other Intangible Fixed Assets	525	15.463
<b>Total</b>	<b>148.898</b>	<b>4.383.279</b>
<b>Accumulated Depreciation</b>		
Rights	3.265	96.124
Leasehold Improvements	30.381	894.374
Other Intangible Fixed Assets	401	11.808
<b>Total</b>	<b>34.048</b>	<b>1.002.306</b>
<b>Net Fixed Assets</b>	<b>114.850</b>	<b>3.380.974</b>

	31.12.2022	Addition	Disposals December 31, 2023	
Cost	EUR	EUR	EUR	EUR
Rights	3.416		-	3.416
Leasehold Improvements	80.095	64.862	-	144.957
Other Intangible Fixed Assets	525		-	525
<b>Total</b>	<b>84.036</b>	<b>64.862</b>	-	<b>148.898</b>
<b>Accumulated Depreciation</b>				
Rights	3.216	50	-	3.265
Leasehold Improvements	12.543	17.839	-	30.381
Other Intangible Fixed Assets	226	175	-	401
<b>TOTAL</b>	<b>15.984</b>	<b>18.063</b>	-	<b>34.048</b>
<b>Net Book Value</b>	<b>68.052</b>			<b>114.850</b>



**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

	31.12.2022	Addition	Disposals December 31, 2023	
	TL	TL	TL	TL
<b>Cost</b>				
Rights	100.553			100.553
Leasehold Improvements	2.357.850	1.909.413		4.267.263
Other Intangible Fixed Assets	15.463			15.463
<b>Total</b>	<b>2.473.866</b>	<b>1.909.413</b>	<b>-</b>	<b>4.383.279</b>
<b>Accumulated Depreciation</b>				
Rights	94.662	1.462		96.124
Leasehold Improvements	369.229	525.145		894.374
Other Intangible Fixed Assets	6.659	5.149		11.808
<b>TOTAL</b>	<b>470.550</b>	<b>531.756</b>	<b>-</b>	<b>1.002.306</b>
<b>Net Book Value</b>	<b>2.003.317</b>			<b>3.380.974</b>

**14. Trade Payables**

As of December 31, 2023 Trade Payables consisted of the following:

	December 31, 2023	
	EUR	TL
Trade Payables	47.543	1.399.593
<b>TOTAL</b>	<b>47.543</b>	<b>1.399.593</b>

**15. Advances Received**

As of December 31, 2023 Advances Received consisted of the following:

	December 31, 2023	
	EUR	TL
Advances Received from Customers	1.187.985	34.972.153
<b>TOTAL</b>	<b>1.187.985</b>	<b>34.972.153</b>

Advances received from Customers consist of the down payments that the Company receives from customers, at the time of taking an order.

**16. Other Short Term Payables**

As of December 31, 2023 Other Short Term Payables consisted of the following:

	December 31, 2023	
	EUR	TL
Payables to Personnel	73.631	2.167.573
Taxes Payables	17.226	507.091
Social Security Premiums Payables	6.696	197.131
<b>TOTAL</b>	<b>97.553</b>	<b>2.871.795</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

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**17. Taxation on Profit**

In Turkey companies are subject to corporation tax as of 31 December 2023 at the rate of 25% on their taxable income computed based upon statutory financial statements. On the other hand, if the 100 % of the investment allowance is used then, it is not subject to corporate tax because it is an incentive; however the allowed amount is subject to % 19, 8 withholding tax. If 40% of the investment allowance is used then the total amount is not subject to corporate tax in 2005. Effective from 01.01.2006, investment allowance has been abolished.

Effective from April 24, 2003, income will not be subject to the withholding taxes if it is undistributed, is transferred to share capital or is distributed to the resident tax-paying companies.

Where profits are distributed

- Resident taxpaying real persons,
- To corporation or real persons who are exempt from income and corporate tax,
- To corporations or taxpayers who are not income or corporate tax payers,
- To non-resident corporations,
- To non-resident real persons,
- To those who are exempt from income tax, a 15 % withholding tax is applied.

However profit distributions up to December 31, 2004 shall be subject to an effective tax rate of 11 % due to the continuation of the fund levy until that date.

According Tax Procedural Law; the books and documents of a company belonging to past five years can be subject to a tax inspection.

The Company had losses for last five years. If tax authorities make tax inspection in the Company and find any tax base differences, they will ask for additional taxes with penalties. These taxes will be offset from the previous years' losses. If still there are more taxes payable, these should be paid with penalties. As of December 31, 2023 The Company's tax calculation is as follows:

	<b>December 31, 2023</b>	
	<b>EUR</b>	<b>TL</b>
Profit before tax as per statutory Financial statements	1.543.284	45.431.502
Disallowable expenses	5.584	164.372
<b>Corporation Tax Base</b>	<b>1.548.868</b>	<b>45.595.874</b>
<b>Corporation Tax (-)</b>	<b>387.217</b>	<b>11.398.969</b>
Prepaid tax	-301.603	- 8.878.640
<b>Net payable</b>	<b>85.614</b>	<b>2.520.328</b>

According to the Turkish Tax Law the Company doesn't have to pay any taxes on temporary deferred assets and liabilities. The company recognizes deferred taxes over the differences of deferred tax assets and deferred tax liabilities. Deferred tax is tax that is not paid during the current period but may be paid in the future according to IAS 12 if that increase in the income really occurs. A deferred tax asset should be recognized for deductible, temporary differences to the extent that taxable profit will be available against which temporary differences could be utilized (IAS 12.24).

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

30/06/2023		
	Cumulative temporary difference	Deferred Tax
	EUR	EUR
<b>Deferred tax asset / (Deferred tax liability)</b>		
Retirement pay provision	91.925	18.385
Provision for Doubtful Receivables	4.138	828
Fixed Assets, Net	-1.020	-204
Rights of Used Assets	94.842	18.968
<b>Net Deferred Tax Asset</b>	<b>189.885</b>	<b>37.977</b>
Actual Gains or Losses	-60.027	12.005
<b>Net Deferred Tax Income</b>		<b>15.615</b>

30/06/2023		
	Cumulative temporary difference	Deferred Tax
	TL	TL
<b>Deferred tax asset / (Deferred tax liability)</b>		
Retirement pay provision	2.706.111	541.222
Provision for Doubtful Receivables	121.804	24.361
Fixed Assets, Net	-30.028	-6.006
Rights of Used Assets	2.791.974	558.395
<b>Net Deferred Tax Asset</b>	<b>5.589.861</b>	<b>1.117.972</b>
Actual Gains or Losses	- 1.767.088	353.418
<b>Net Deferred Tax Income</b>		<b>459.682</b>

The breakdown of the income tax on income statement is as follows:

December 31, 2023		
	EUR	TL
Corporation Tax	-387.217	-11.398.969
Net Deferred Tax Income (Expense)	15.615	459.682
<b>TOTAL</b>	<b>-371.602</b>	<b>-10.939.286</b>

**18. Provisions for Employee Termination Benefit**

December 31, 2023		
	EUR	TL
Employee Termination Benefit	77.455	2.280.134
Provision for personnel annual leave	14.470	425.977
<b>TOTAL</b>	<b>91.925</b>	<b>2.706.111</b>

Provision for employment termination benefits:

December 31, 2023 Eur 1.190 (35.059 TL)

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such benefits. Also, employees who are entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated 6 June 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506.

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

The maximum amount of 35.059 TL for of December 31, 2023 is taken into consideration in the calculation of provision based on employment termination benefits. The liability is not funded, as there is no funding requirement. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Revised IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Company's obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability. Principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements As of December 31, 2023, provision is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The real discount rate is approximately 2,5%. The anticipated rate of forfeitures is considered. (31.12.2022- 1,42%).

The Movement of Employee Termination Benefit during the year is as follows:

	December 31, 2023	
	EUR	TL
Opening January 1	62.009	1.825.439
Service Cost	8.304	244.444
Interest Cost	1.936	57.003
Actuarial Gain / (Losses)	29.582	870.836
Monetary gain / (loss)	-24.376	-717.587
<b>Closed Balance</b>	<b>77.455</b>	<b>2.280.134</b>

**19. Share Capital**

As of December 31, 2023 Share Capital consisted of the following:

	December 31, 2023		
	EUR	TL	%
MODA BAGNO ATINA	1.921.581	56.567.873	96%
NIKOLAOS ELEY VARVERIS	17.731	521.964	1%
ALEXSANDROS VARVERIS	35.462	1.043.928	2%
FLIPPOS VARVERIS	17.731	521.964	1%
<b>TOTAL</b>	<b>1.992.504</b>	<b>58.655.730</b>	<b>100%</b>

**20. Retained Earnings / Losses**

Legal reserves are appropriated based on statutory profits and dividend distribution and are not available for distribution unless they exceed 50% of share capital, but they may be used to offset losses in the event that the general reserve is exhausted.

The retained earnings are available for distribution. However, if this reserve is distributed as dividends, further legal reserve is required to be provided equal to 10% of dividends declared, reduced by an amount equal to 5% of share capital.

**21. Other Comprehensive Income/Expense Not To Be Reclassified To Profit or Loss**

	December 31, 2023	
	EUR	TL
Actual Gains or Losses	-60.027	-1.767.088
Deferred Tax	12.005	353.418
<b>TOTAL</b>	<b>-48.022</b>	<b>-1.413.670</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

**22. Commitments and Contingencies**

- a) In Turkey, the Tax Procedural Law does not provide a procedure for the final agreement of tax assessment. Tax declarations are filed within four months for the year-end to which they relate to and the tax authorities may revise assessment within five years, and in the case were a mistake is revealed, they may revise tax payable assessments within five years. Therefore, the Company is contingently liable for any differences, which may arise as a result an inspection performed by the tax authorities in the future.

**S1. Net Sales**

	December 31, 2023	
	EUR	TL
Domestic Sales	5.862.539	172.582.604
Sales Abroad	190.394	5.604.854
Sales returns (-)	-157.872	-4.647.461
Sales discounts (-)	-502	- 14.768
<b>TOTAL</b>	<b>5.894.560</b>	<b>173.525.228</b>

**S2. Cost of Goods Sold (-)**

	December 31, 2023	
	EUR	TL
Cost of Trade Goods Sold	2.675.630	78.765.731
<b>TOTAL</b>	<b>2.675.630</b>	<b>78.765.731</b>

**S3. Marketing Expenses (-)**

	December 31, 2023	
	EUR	TL
Advertisement Expenses	3.829	112.712
Transportation, Goods Carriage	18.046	531.251
Showroom Decoration expenses	559	16.456
Other	5.115	150.583
<b>TOTAL</b>	<b>27.549</b>	<b>811.003</b>

**S4. General Administrative Expenses (-)**

	December 31, 2023	
	EUR	TL
Personnel Salary Expenses	414.150	12.191.820
Fee Payment to director	65.126	1.917.195
Personnel food expenses	8.755	257.728
Travel and Accommodation Expenses	7.463	219.711
Office Insurance Expenses	3.062	90.126
Depreciation and Amortisation Expenses	23.672	696.857
Consulting Expenses	21.545	634.234
Ozden Business Centre Expenses	32.165	946.890
Electricity and water expenses	13.407	394.688
Provision for personnel annual leave	1.231	36.244
Employee Termination Benefit & Severance Payment	10.240	301.447
Depreciation For Rights of Use Assets	273.734	8.058.223
Porter's fee expenses	3.783	111.378
Other	21.649	637.311
<b>TOTAL</b>	<b>899.982</b>	<b>26.493.852</b>

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

**S5. Financial income/ (expenses) net**

	December 31, 2023	
	EUR	TL
<b>Financial Income</b>		
Foreign Exchange Gain	815.272	24.000.140
<b>Total</b>	<b>815.272</b>	<b>24.000.140</b>
<b>Financial Expense</b>		
Interest Expense	111.569	3.284.398
Foreign Exchange Loss	778.945	22.930.727
Credit Card Commissions & Other Exp.	7.953	234.132
<b>Total</b>	<b>898.467</b>	<b>26.449.256</b>
<b>NET</b>	<b>(83.195)</b>	<b>(2.449.116)</b>

**S6. Other income/ (expenses) net**

	December 31, 2023	
	EUR	TL
<b>Other Income</b>		
Social Security Premiums Reductions	7.089	208.694
Other	460	13.531
<b>Total</b>	<b>7.549</b>	<b>222.225</b>
<b>Other Expense</b>		
Commission Expenses to Architects	213.267	6.278.192
Disallowable expenses	7.139	210.164
<b>Total</b>	<b>220.406</b>	<b>6.488.355</b>
<b>NET</b>	<b>(212.857)</b>	<b>(6.266.130)</b>

(\*): Disallowable expenses are expenses which are added on tax base such as vehicle tax, expenses with no invoice and penalties etc.

**Auditing Techniques and Procedures Applied**  
**December 31, 2023**

As indicated in the second paragraph of our Independent Auditors' Report our examinations are made in accordance with International Auditing Guidelines and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The summary of these auditing techniques and procedures is described below:

**1. AUDIT ENGAGEMENT LETTER AND PLANNING:**

An audit engagement letter was issued and an audit plan was prepared in order to perform an efficient audit. The audit planning was prepared after having considered such factors as the Company's organizational structure, activities, production methods, prior year's financial statements, assurance on internal control systems and the degree of reliance of audit examination on internal controls.

**2. AUDIT PROGRAM:**

Our examination was made in accordance with the auditing principles and requirements as stated in the International Auditing Guidelines. Standard audit procedures were adopted and applied considering the Company's accounting policies and internal control system.

**3. CASH AND BANKS:**

Cash held at the year-end test not counted at year- end but reconciled to the general ledger. Confirmation of bank balances were obtained directly from banks and agreed to the balances in the general ledger.

**MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.**  
**For the period ended December 31, 2023**  
**Expressed in Euro and TL**

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4. RECEIVABLES:

Direct confirmations were requested from debtors on a sample basis and replies received were agreed to the balances in the general ledger. For unconfirmed balances, the related underlying documents were checked. Additionally, cash receipts subsequent to the balance sheet date were reviewed.

5. FIXED ASSETS:

Additions to or disposals from fixed assets were verified, on a sample basis by reviewing the underlying documents, for value, existence and ownership. Depreciation calculations for tangible fixed assets were reviewed and the necessary provisions against those net book values, which were below market value, were checked.

6. SHORT-TERM PAYABLES:

Direct confirmations were requested from banks, suppliers and other short-term creditors on a sample basis of balances as at the year-end and replies received were agreed to the balances in the general ledger. Accruals and provisions were reviewed and their validity and sufficiency were ensured.

7. LONG-TERM PAYABLES:

Long-term accruals and provisions were reviewed and their validity and sufficiency were ensured. Provision for termination indemnities was checked to ensure conformity with the statutory requirements.

8. SHAREHOLDERS' EQUITY:

Relevant documentation and details relating to capital, legal reserves and other reserves were reviewed and the correctness of the balances was verified.

9. OTHER GENERAL ISSUES:

- (a) The Board of Directors minutes were reviewed and the resolutions, which significantly affect the financial statements, were considered.
- (b) The Company's commitments and contingent liabilities were reviewed, direct confirmations from third parties were obtained and their inclusion in the financial statements was checked.