

**MODA BAGNO IC VE DIS TICARET
INSAAT TURIZM VE SANAYI A.S.
Financial Statements
For the period ended December 31, 2024
(Including Auditors' Report)**

MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

For the period ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

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**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 2024, and income statement, the statement of changes in equity and the statement of cash flows for the period 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 2024, and of its financial performance and its cash flows for the period ended in accordance with International Financial Reporting Standards.

Istanbul, 30 January 2025

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

Ashlı Şahin Özacar
Audit Partner

Statement of financial position of MODA BAGNO IC VE DIS TICARET INSAAT VE TURIZM A.S.
(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO)

		EUR	TL	EUR	TL
	Note	31/12/2024	31/12/2024	31/12/2023	31/12/2023
Assets					
Non-current assets					
Trade and other receivables - net	5	-	-	-	-
Intangible assets - net	13	144.213	5.297.821	132.878	4.881.416
Property , Plant & Equipment - net	12	5.351	196.584	12.833	471.433
Rights of Use Assets	11	1.014.985	37.286.675	668.307	24.551.056
Deferred tax assets	17	96.865	3.558.436	43.938	1.614.117
Other non-current assets	10	3.694	135.703	4.469	164.187
Other non-current assets for sale		-	-	-	-
		1.265.107	46.475.219	862.425	31.682.210
Current assets					
Inventories - net	7	1.412.616	51.894.152	1.681.123	61.758.077
Trade and other receivables - net	5	17.760	652.452	19.372	711.636
Receivables from related parties	6	275.657	10.126.590	352.251	12.940.350
Advances Given	8	143.202	5.260.646	202.464	7.437.755
Prepaid expenses and other current assets	9	777	28.562	6.004	220.558
Cash and cash equivalents	4	2.450.158	90.009.504	2.052.586	75.404.226
		4.300.171	157.971.906	4.313.799	158.472.601
Total assets		5.565.278	204.447.125	5.176.224	190.154.811
Equity					
Share capital	19	2.305.262	84.686.557	2.305.262	84.686.557
Actual Gains or Losses	21	-61.497	2.259.182	-55.559	2.041.043
Retained earnings/losses	20	416.261	15.291.852	-605.991	22.261.820
Profit for the year		113.560	4.171.760	1.006.738	36.983.724
		2.773.585	101.890.987	2.650.449	97.367.417
Minority interest		-	-	-	-
Total equity		2.773.585	101.890.987	2.650.449	97.367.417
Liabilities					
Long term liabilities					
Other Financial Liabilities	11	817.237	30.022.166	415.167	15.251.675
Provision for employee benefits	18	115.795	4.253.881	106.354	3.907.056
Other provisions		-	-	-	-
		933.032	34.276.048	521.522	19.158.731
Short term liabilities					
Trade and other payables	14	35.425	1.301.392	55.006	2.020.718
Advances Received	15	1.394.661	51.234.547	1.374.460	50.492.445
Current tax liabilities	16	105.961	3.892.604	112.866	4.146.269
Other Financial Liabilities	11	259.234	9.523.269	362.868	13.330.405
Provisions for Taxation	17	63.378	2.328.277	99.053	3.638.825
Other liabilities		-	-	-	-
		1.858.660	68.280.090	2.004.254	73.628.663
Total liabilities		2.791.693	102.556.138	2.525.775	92.787.394
Total Equity and Liabilities		5.565.278	204.447.125	5.176.224	190.154.811

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		1/1 - 31.12.2024 (IAS 29 Applied)	Continuing activities	Continuing activities	Continuing activities	Continuing activities
	Note	EUR	TL	EUR	TL	TL
Total sales	S1	5,122,036	188,164,148	6,819,812	250,533,989	
Cost of Sales	S2	-2,537,950	-93,234,634	-3,095,616	-113,721,175	
Gross profit		2,584,086	94,929,514	3,724,196	136,812,814	
Distribution expenses	S3	-31,381	-1,152,821	-31,874	-1,170,917	
Administration expenses	S4	-1,130,976	-41,547,755	-1,041,250	-38,251,558	
Other income/expenses (net)	S6	-251,982	-9,256,861	-246,269	-9,046,976	
Operating results		1,169,747	42,972,077	2,404,804	88,343,363	
Financial income/expenses (net)	S5	-55,229	-2,028,895	-96,254	-3,536,009	
Profit / (Loss) before monetary gain/(loss)		1,114,519	40,943,182	2,308,550	84,807,354	
Monetary gain/(loss)		-889,981	-32,694,515	-871,881	-32,029,598	
Profit / (Loss) before tax		224,538	8,248,667	1,436,669	52,777,755	
Income tax	17	-110,978	-4,076,907	-429,931	-15,794,032	
Profit / (Loss) after tax		113,560	4,171,760	1,006,738	36,983,724	

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

Balance as at 1/1/2023

Actual Gains or Losses

Increase / Decrease of share capital

Acquirement of companies

Employee Term

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Balance as at 1/1/2024

Actual Gains or Losses

Increase / Decrease of share capital

Acquirement of

Employee Termination Benefits

Balance as at 31

Balance as at 1/1/2023

Actual Gains or Losses

Increase / Decrease of sl

Acquirement of

Employee Termination Ben

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Balance as at 1/1/2024

Actual Gains or Losses

Increase / Decrease of share

Acquirement of

Employee Termination Benefits

THE UNIVERSITY OF CHICAGO

Cash Flow Statement-MODA BAGNO IC VE DIS TICARET INSAAT VE TURIZM A.S.
(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO)

	EUR	TL	EUR	TL
	1/1 - 31.12.2024	1/1 - 31.12.2024	1/1 - 31.12.2023	1/1 - 31.12.2023
Cash flows from Operating activities				
Profit / (Loss) before tax (Continuing activities)	224.538	8.248.667	1.436.669	52.777.755
Add / Deduct adjustments for:				
Depreciation and amortization	406.390	14.929.215	344.088	12.640.497
Provisions	9.441	346.825	9.373	344.342
Add / deduct adjustments in changes of working capital accounts related to operating activities :				
(Increase) / Decrease of inventories	268.507	9.863.925	-	-
(Increase) / Decrease of receivables	143.470	5.270.533	86.970	3.194.944
Increase / (Decrease) of payables (except bank loans)	-6.285	-230.889	-1.192.698	-43.815.202
Minus:				
Interest and similar charges paid	-	-	-	-
Income Tax paid	- 199.578,75	-7.331.765	- 348.944,42	-12.818.892
Net cash inflow/(outflow) from operating activities	846.481	31.096.512	141.720	5.206.265
Cash flows from Investing activities:				
Acquirement of companies	-	-	-	-
Purchases of tangible or intangible assets	-55.373	-2.034.182	-77.683	- 2.853.779
Rights of Use Assets	-701.548	-25.772.217	-34.764	- 1.277.106
Actual Gains or Losses	-5.938	-218.139	-34.225	- 1.257.304
Net cash inflow/(outflow) from investing activities	-762.859	-28.024.537	-146.672	-5.388.189
Cash flows from financing activities:				
Other Financial payables	298.435	10.963.355	-228.181	- 8.382.495
Previous year adjustment	15.515	569.949	7.121,91	261.632
Net cash inflow/(outflow) from financing activities	313.949	11.533.304	-221.059	-8.120.863
Net increase/(decrease) in cash	397.572	14.605.278	-226.011	-8.302.787
Cash at beginning of year	2.052.586	75.404.226	2.278.597	83.707.012
Cash at end of the period	2.450.158	90.009.504	2.052.586	75.404.226

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MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

For the period ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

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	2024	2023	2022	2021	2020
Currency Deflation					
EUR (%)	12,78	47,67	19,34	62,99	35,44
PPI Inflation (%)	44,38	64,77	138,31	79,89	25,15

As of December 31, 2024 Euro = 36,7362 TL the exchange rate announced by the Turkish Central Bank (which is a market rate).

Financial reporting in hyperinflationary economy

IAS 29 Financial Reporting in Hyperinflation Economies ("IAS 29") has been applied to the interim condensed financial statements of the Company because the functional currency of the bank (Turkish lira) is the currency of a hyperinflationary economy as per IAS 29.

Accordingly, the condensed financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of December 31, 2024.

On the application of IAS 29, the Company used the conversion coefficient derived from the CPI in the Turkey published by Turkey Statistical Institute.

To perform the required restatement of condensed financial statements under IAS 29, assets and liabilities are separated into those that are monetary and non-monetary, with non-monetary items further divided into those measured on either a current or historical basis. Monetary items (other than index -linked monetary items) are not restated because they are already expressed in terms of measuring unit as of December 31, 2024.

Non-monetary items (items which are not expressed in terms of measuring unit as of December 31, 2024) are restated by applying the relevant index. The restated amount of a non-monetary item is reduced, in accordance with appropriate IFRSs, when it exceeds its recoverable amount.

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MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

For the period ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

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. 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:

	<u>%</u>
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:

	<u>%</u>
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.

MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

For the period ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

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 36,7362 TL to 1 Euro, the buying rate of exchange at December 31, 2024 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.

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.

MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

For the period ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

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.

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

MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

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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<
An analysis of age of financial assets that are not past due at the reporting date, nor impaired.	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Trade receivables	17.760	-	-	583	10.819	-	2.973	3.385
Advances Given	143.201	-	47.734	7.956	87.511	-	-	-
An analysis of age of financial assets that are past due at the reporting date but not impaired	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Receivables from related parties	275.657	-	-	-	-	-	-	275.657
An analysis of age of financial assets that are impaired at the reporting date	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Trade receivables	3.316	-	-	-	-	-	-	3.316
Total	439.934	-	47.734	8.539	98.330	-	2.973	282.358
Percentage	100%	0%	11%	2%	22%	0%	1%	64%

	Total Balance	0-30 Days	30-60 Days	60-90 Days	90 -120 Days	120-360 Days	360-720 Days	720<
An analysis of age of financial assets that are not past due at the reporting date, nor impaired.	TL	TL	TL	TL	TL	TL	TL	TL
Trade receivables	652.452	-	-	21.433	397.439	-	109.205	124.376
Advances Given	5.260.646	-	1.753.548	292.258	3.214.839	-	-	-
An analysis of age of financial assets that are past due at the reporting date but not impaired	TL	TL	TL	TL	TL	TL	TL	TL
Receivables from related parties	10.126.590	-	-	-	-	-	-	10.126.590
An analysis of age of financial assets that are impaired at the reporting date	TL	TL	TL	TL	TL	TL	TL	TL
Trade receivables	121.804	-	-	-	-	-	-	121.804
Total	16.161.492	-	1.753.548	313.691	3.612.278	-	109.205	10.372.770
Percentage	100%	0%	11%	2%	22%	0%	1%	64%

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.

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MODA BAGNO IC VE DIS TICARET INSAAT TURIZM VE SANAYI A.S.

For the period ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

	31.12.2024			FX RISE % 10	EFFECT ON PL	FX DECREASE %10	EFFECT ON PL
	EUR	USD	TL	TL	TL	TL	TL
Assets							
Current Assets							
Banks	600.133	650.376	44.992.049	49.491.252	4.499.205	40.492.843	-4.499.205
Trade Receivables	11.336	-	416.448	458.093	41.645	374.803	-41.645
Receivables from Related Parties	275.607	-	10.124.743	11.137.218	1.012.474	9.112.269	-1.012.474
Advances Given	143.115	-	5.257.514	5.783.266	525.751	4.731.763	-525.751
Total current assets	1.030.191	650.376	60.790.754	66.869.829	6.079.075	54.711.678	-6.079.075
Long Term Assets							
Deposits Given	-	3.800	134.065	147.472	13.407	120.659	-13.407
TOTAL ASSETS	1.030.191	654.176	60.924.819	67.017.301	6.092.482	54.832.337	-6.092.482
Current Liabilities							
Trade Payables-Net	25.970	-	954.066	1.049.473	95.407	858.660	-95.407
Advances received	486.050	184.240	24.355.666	26.791.232	2.435.566	21.920.099	-2.435.566
Total Current liabilities	512.020	184.240	25.309.732	27.840.705	2.530.973	22.778.759	-2.530.973
NET FX POSITION	518.171	469.936	35.615.087	39.176.596	3.561.509	32.053.578	-3.561.509

A decrease in foreign exchange rate of USD and EUR by 10% in foreign exchange rate would affect TL 3.561.509 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 3.561.509 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<
A maturity analysis for financial liabilities that shows the remaining contractual maturities	EUR	EUR	EUR	EUR	EUR	EUR
Trade Payables	35.425	35.425	-	-	-	-
Advances Received	1.394.661	457.652	752.675	-	-	184.334
Other Short Term Payables	105.961	105.961	-	-	-	-
Total	1.536.047	599.038	752.675	-	-	184.334
%	100%	39%	49%	0%	0%	12%

	Total Balance	0-90 Days	90-180 Days	180-360 Days	360-720 Days	720<
A maturity analysis for financial liabilities that shows the remaining contractual maturities	TL	TL	TL	TL	TL	TL
Trade Payables	1.301.392	1.301.392	-	-	-	-
Advances Received	51.234.547	16.812.395	27.650.436	-	-	6.771.717
Other Short Term Payables	3.892.604	3.892.604	-	-	-	-
Total	56.428.544	22.006.391	27.650.436	-	-	6.771.717
%	100%	39%	49%	0%	0%	12%

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(Amounts expressed in Turkish Lira ("TL") in term of purchasing power of the TL at December 31, 2024 and EURO unless otherwise indicated.)

4. Cash/Bank

As of December 31, 2024 the Cash and Bank accounts consisted of the following:

	December 31, 2024	
	EUR	TL
Cash in hand	3.845	141.233
Banks	2.190.967	80.487.820
Investment fund	255.346	9.380.451
TOTAL	2.450.158	90.009.504

5. Trade and Other Receivables

As of December 31, 2024 the Current Trade and Other Receivables consisted of the following:

Trade Receivables	December 31, 2024	
	EUR	TL
Trade receivables	8.233	302.452
Notes Receivables	9.527	350.000
Doubtful Receivables	3.316	121.804
Provision for Doubtful Receivables	-	-121.804
TOTAL	17.760	652.452

6. Receivables from Related Parties

As of December 31, 2024 the Receivables from Related Parties consisted of the following:

	December 31, 2024	
	EUR	TL
Receivables from Moda Bagno Greece	275.657	10.126.590
TOTAL	275.657	10.126.590

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, 2024 Inventories consisted of the following:

	December 31, 2024	
	EUR	TL
Trade Goods	1.412.616	51.894.152
TOTAL	1.412.616	51.894.152



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8. Advances Given

As of December 31, 2024 Advances Given consisted of the following:

	December 31, 2024	
	EUR	TL
Advances Given	26.757	982.883
Advances Given Moda Bagno Greece	116.445	4.277.763
TOTAL	143.202	5.260.646

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

9. Other Current Assets

As of December 31, 2024 Other Current Assets consisted of the following:

	December 31, 2024	
	EUR	TL
Prepaid Expenses	277	10.190
Work Advances	500	18.372
TOTAL	777	28.562

10. Advances and Deposits Given

As of December 31, 2024 Long Term Advances and Deposits Given consisted of the following:

	December 31, 2024	
	EUR	TL
Deposit Given	3.694	135.703
TOTAL	3.694	135.703

11. Rights of Use Assets

As of December 31, 2024 Rights of Use Assets consisted of the following:

	December 31, 2024	
	EUR	TL
Rights of Use Assets	1.994.743	73.279.275
Depreciation	-	35.992.600
TOTAL	1.014.985	37.286.675

	December 31, 2024	
	EUR	TL
Short Term Liabilities	259.234	9.523.269
Long Term Liabilities	817.237	30.022.166
TOTAL	1.076.470	39.545.435



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	31.12.2023	Addition	Disposals	December 31, 2024
Cost	TL	TL	TL	TL
Vehicles	792.716	-	-	792.715
Furniture and Fixtures	547.779	-	-	547.779
TOTAL	1.340.494	-	-	1.340.494
Accumulated Depreciation				
Vehicles	601.596	158.977	-	760.573
Furniture and Fixtures	267.467	115.871	-	383.338
TOTAL	869.062	274.848	-	1.143.910
Net Book Value	471.433	-	-	196.584

12. Tangible Fixed Assets

The movement schedules of motor vehicles, furniture and fixtures and related accumulated depreciations are as follows as of December 31, 2024;

	December 31, 2024	
	EUR	TL
Cost		
Vehicles	21.579	792.715
Furniture and Fixtures	14.911	547.779
Total	36.490	1.340.494
Accumulated Depreciation		
Vehicles	20.704	760.573
Furniture and Fixtures	10.435	383.338
Total	31.139	1.143.910
Net Fixed Assets	5.351	196.584

	31.12.2023	Addition	Disposals	December 31, 2024
Cost	EUR	EUR	EUR	EUR
Vehicles	21.579	-	-	21.579
Furniture and Fixtures	14.911	-	-	14.911
TOTAL	36.490	-	-	36.490
Accumulated Depreciation				
Vehicles	16.376	4.328	-	20.704
Furniture and Fixtures	7.281	3.154	-	10.435
TOTAL	23.657	7.482		31.139
Net Book Value	12.833			5.351

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13. Intangible Fixed Assets

As of December 31, 2024 Intangible Fixed Assets consisted of the following:

	December 31, 2024	
	EUR	TL
Cost		
Rights	3.952	145.178
Leasehold Improvements	222.519	8.174.519
Other Intangible Fixed Assets	1.171	43.009
Total	227.642	8.362.706
Accumulated Depreciation		
Rights	3.835	140.899
Leasehold Improvements	78.935	2.899.755
Other Intangible Fixed Assets	660	24.231
Total	83.430	3.064.885
Net Fixed Assets	144.213	5.297.821

	31.12.2023	Addition	Disposals	December 31, 2024
	EUR	EUR	EUR	EUR
Cost				
Rights	3.952	-	-	3.952
Leasehold Improvements	167.710	54.810	-	222.519
Other Intangible Fixed Assets	608	563	-	1.171
Total	172.269	55.373	-	227.642
Accumulated Depreciation				
Rights	3.778	58	-	3.835
Leasehold Improvements	35.150	43.784	-	78.935
Other Intangible Fixed Assets	464	196	-	660
TOTAL	39.392	44.038	-	83.430
Net Book Value	132.877			144.213

	31.12.2023	Addition	Disposals	December 31, 2024
	TL	TL	TL	TL
Cost				
Rights	145.178	-	-	145.178
Leasehold Improvements	6.161.022	2.013.498	-	8.174.519
Other Intangible Fixed Assets	22.325	20.684	-	43.009
Total	6.328.524	2.034.181	-	8.362.706
Accumulated Depreciation				
Rights	138.783	2.116	-	140.899
Leasehold Improvements	1.291.285	1.608.470	-	2.899.755
Other Intangible Fixed Assets	17.048	7.183	-	24.231
TOTAL	1.447.116	1.617.769	-	3.064.885
Net Book Value	4.881.409			5.297.821

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14. Trade Payables

As of December 31, 2024 Trade Payables consisted of the following:

	December 31, 2024	
	EUR	TL
Trade Payables	35.425	1.301.392
TOTAL	35.425	1.301.392

15. Advances Received

As of December 31, 2024 Advances Received consisted of the following:

	December 31, 2024	
	EUR	TL
Advances Received from Customers	1.394.661	51.234.547
TOTAL	1.394.661	51.234.547

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, 2024 Other Short Term Payables consisted of the following:

	December 31, 2024	
	EUR	TL
Payables to Personnel	53.801	1.976.455
Taxes Payables	43.235	1.588.292
Social Security Premiums Payables	8.925	327.857
TOTAL	105.961	3.892.604

17. Taxation on Profit

In Turkey companies are subject to corporation tax as of 31 December 2024 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.

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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, 2024 The Company's tax calculation is as follows:

	December 31, 2024	
	EUR	TL
Corporation Tax	172.224	6.326.853
Prepaid tax (-)	-108.846	-3.998.575
Net payable	63.378	2.328.277

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).

	December 31, 2024	
	Cumulative temporary difference	Deferred Tax
	EUR	EUR
Deferred tax asset / (Deferred tax liability)		
Retirement pay provision	115.795	28.949
Provision for Doubtful Receivables	3.316	829
Fixed Assets, Net	1.438	360
Rights of Used Assets	266.909	66.727
Net Deferred Tax Asset	387.458	96.865
 Actual Gains or Losses	 -59.226	 14.807
Net Deferred Tax Income		61.246

	December 31, 2024	
	Cumulative temporary difference	Deferred Tax
	TL	TL
Deferred tax asset / (Deferred tax liability)		
Retirement pay provision	4.253.882	1.063.470
Provision for Doubtful Receivables	121.804	30.451
Fixed Assets, Net	52.832	13.208
Rights of Used Assets	9.805.227	2.451.307
Net Deferred Tax Asset	14.233.745	3.558.436
 Actual Gains or Losses	 -2.175.746	 543.936
Net Deferred Tax Income		2.249.945

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

December 31, 2024		
	EUR	TL
Corporation Tax	-172.224	-6.326.853
Net Deferred Tax Income (Expense)	61.246	2.249.945
TOTAL	-110.978	-4.076.907

18. Provisions for Employee Termination Benefit

December 31, 2024		
	EUR	TL
Employee Termination Benefit	84.189	3.092.776
Provision for personnel annual leave	31.607	1.161.105
TOTAL	115.795	4.253.881

Provision for employment termination benefits:

December 31, 2024 Eur 1.270 (46.655 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 September 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506.

The maximum amount of 46.655,43 TL for of December 31, 2024 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 Company 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, 2024, 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 3,37%. The anticipated rate of forfeitures is considered. (31.12.2023- 2,5%).

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

December 31, 2024		
	EUR	TL
Opening January 1	62.068	2.280.134
Service Cost	8.156	299.635
Interest Cost	2.841	104.350
Actuarial Gain / (Losses)	11.124	408.658
Closed Balance	84.189	3.092.776

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19. Share Capital

As of December 31, 2024 Share Capital consisted of the following:

December 31, 2024			
	EUR	TL	%
MODA BAGNO ATINA	2.223.206	81.672.130	96%
NIKOLAOS ELEY VARVERIS	20.514	753.607	1%
ALEXSANDROS VARVERIS	41.028	1.507.213	2%
FLIPPOS VARVERIS	20.514	753.607	1%
TOTAL	2.305.262	84.686.557	100%

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, 2024		
	EUR	TL
Actual Gains or Losses	-76.304	-2.803.119
Deferred Tax	14.807	543.936
TOTAL	-61.497	-2.259.182

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.

s. Net Sales

December 31, 2024		
	EUR	TL
Domestic Sales	5.117.885	188.011.647
Sales Abroad	27.472	1.009.232
Sales returns (-)	-28.473	-1.045.974
Other Income	5.151	189.243
TOTAL	5.122.036	188.164.148

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S2. Cost of Goods Sold (-)

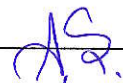
December 31, 2024		
Cost of Trade Goods Sold	2.537.950	93.234.634
TOTAL	2.537.950	93.234.634

S3. Marketing Expenses (-)

December 31, 2024		
	EUR	TL
Advertisement Expenses	42	1.550
Various Marketing Expenses	8.911	327.374
Promotion Expenses	92	3.362
Transportation, Goods Carriage	18.802	690.703
Showroom Decoration expenses	1.911	70.206
Other	1.623	59.628
TOTAL	31.381	1.152.821

S4. General Administrative Expenses (-)

December 31, 2024		
	EUR	TL
Personnel Salary Expenses	481.385	17.684.271
Fee Payment to director	64.899	2.384.150
Personnel food expenses	15.180	557.672
Hospitality Entertainment Expenses	18.177	667.747
Travel and Accommodation Expenses	6.860	251.995
Office Insurance Expenses	4.480	164.588
Tax and Other Duties	7.453	273.785
Depreciation and Amortisation Expenses	51.519	1.892.617
Vehicle Expenses	5.126	188.310
Consulting Expenses	23.775	873.417
Telephone and Internet Expenses	853	31.325
Ozden Business Centre Expenses	38.482	1.413.691
Provision for personnel annual leave	20.011	735.128
Repair expenses	3.283	120.590
Electricity and water expenses	10.588	388.945
Employee Termination Benefit & Severance Payment	10.997	403.985
Depreciation For Rights of Use Assets	354.871	13.036.598
Import Expenses	26	966
Export Expenses	1.575	57.861
Other	11.436	420.115
TOTAL	1.130.976	41.547.755



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S5. Financial income/ (expenses) net

	December 31, 2024	
	EUR	TL
Financial Income		
Foreign Exchange Gain	339.434	12.469.516
Interest Gain	94.935	3.487.549
Commission Gain	48	1.777
Total	434.417	15.958.842
Financial Expense		
Interest Expense	162.708	5.977.278
Foreign Exchange Loss	303.361	11.144.346
Credit Card Commissions & Other Exp.	23.577	866.113
Total	489.646	17.987.737
NET	(55.229)	(2.028.895)

S6. Other income/ (expenses) net

	December 31, 2024	
	EUR	TL
Other Income		
Social Security Premiums Reductions	8.619	316.611
Insurance Compensation Income	609	22.383
Reflection Income	5.073	186.365
Reconciliation Differences	832	30.550
Other	2.960	108.744
Total	18.093	664.652
Other Expense		
Commission Expenses to Architects	236.842	8.700.678
Reconciliation Differences	12.246	449.888
Disallowable expenses (*)	20.986	770.947
Total	270.075	9.921.513
NET	(251.982)	(9.256.861)

(*): 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, 2024

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.

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.