

**KOLEKSİYON MOBİLYA SANAYİ  
ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM  
PERIOD 1 JANUARY - 30 SEPTEMBER 2024**

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

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

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD**

**1 JANUARY - 30 SEPTEMBER 2024**

---

**CONTENTS**

**INDEX**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION.....	1-2
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS.....	3
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME.....	4
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.....	5-6
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS.....	7
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	8-35

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

		Unreviewed Current Period	Audited Prior Period
	Notes	30.09.2024	31.12.2023
<b>Current Assets</b>		<b>648.784.909</b>	<b>802.539.665</b>
Cash and Cash Equivalents	3	48.073.300	78.005.179
Financial Investments		-	449.582
Trade Receivables	5	136.225.060	158.234.592
<i>Third Parties</i>	5	<i>133.962.062</i>	<i>157.531.788</i>
<i>Related Parties</i>	5-17	<i>2.262.998</i>	<i>702.804</i>
Other Receivables		18.646.043	15.392.325
<i>Third Parties</i>		<i>14.546.130</i>	<i>10.224.952</i>
<i>Related Parties</i>		<i>4.099.913</i>	<i>5.167.373</i>
Inventories	6	407.119.402	463.312.863
Prepaid Expenses	7	32.243.364	65.022.062
Other Current Assets	11	6.477.740	22.123.062
<b>Total</b>		<b>648.784.909</b>	<b>802.539.665</b>
<b>Non-Current Assets</b>		<b>2.461.889.005</b>	<b>2.335.464.542</b>
Trade Receivables	5	-	-
<i>Third Parties</i>	5	-	-
<i>Related Parties</i>	5-17	-	-
Other Receivables		1.104.143	1.547.812
<i>Third Parties</i>		<i>1.104.143</i>	<i>1.547.812</i>
<i>Related Parties</i>		-	-
Financial Investments		301.674	-
Investment Properties	8	704.567.698	704.567.698
Property, Plant and Equipment	9	1.736.982.294	1.485.281.844
Intangible Assets		17.841.509	38.792.655
Prepaid Expenses	7	1.091.687	105.274.533
<b>TOTAL ASSETS</b>		<b>3.110.673.914</b>	<b>3.138.004.207</b>

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL  
POSITION

AS AT 30 SEPTEMBER 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

	Notes	Unreviewed Current Period 30.09.2024	Audited Prior Period 31.12.2023
<b>Current Liabilities</b>		<b>713.639.062</b>	<b>764.393.575</b>
Short-Term Borrowings	4	198.264.390	121.333.429
Short-Term Portion of Long-Term Borrowings	4	58.232.739	136.443.805
Trade Payables	5	125.071.365	121.709.816
<i>Third Parties</i>	5	122.035.137	121.709.816
<i>Related Parties</i>	5-17	3.036.228	-
Employee Benefits		32.148.994	37.565.065
Other Payables		8.093.515	3.038.594
<i>Third Parties</i>		8.093.515	3.027.898
<i>Related Parties</i>		-	10.696
Deferred Income	7	169.175.825	213.595.334
Current Income Tax Liabilities		12.645.868	-
Short-Term Provisions	10	110.006.366	127.039.303
<i>Other Short-Term Provisions</i>	10	104.197.893	120.607.338
<i>Short-Term Provisions for Employee Benefits</i>	10	5.808.473	6.431.965
Other Current Liabilities		-	3.668.229
<b>Total</b>		<b>713.639.062</b>	<b>764.393.575</b>
<b>Non-Current Liabilities</b>		<b>540.180.504</b>	<b>726.365.231</b>
Long-Term Borrowings	4	163.486.106	175.247.420
Trade Payables	5	-	-
<i>Third Parties</i>	5	-	-
<i>Related Parties</i>	5-17	-	-
Other Payables		-	-
<i>Third Parties</i>		-	-
<i>Related Parties</i>		-	-
Deferred Income	7	10.187.500	-
Long-Term Provisions	10	39.407.082	68.692.995
<i>Long-Term Provisions for Employee Benefits</i>	10	39.407.082	68.692.995
Deferred Tax Liabilities	15	327.099.816	482.424.816
<b>EQUITY</b>		<b>1.856.854.348</b>	<b>1.647.245.401</b>
Paid-in Share Capital	12	431.419.816	431.419.816
Adjustment to Share Capital	12	1.882.997.453	1.882.997.453
Share Premium	12	78.402.058	78.402.058
Treasury Shares (-)	12	(36.569.771)	(35.450.961)
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss	12	(18.517.924)	(33.117.929)
Restricted Reserves	12	79.433.825	79.433.825
Retained Earnings	12	(756.438.861)	(784.317.010)
Profit for the Period	12	196.127.752	27.878.149
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3.110.673.914</b>	<b>3.138.004.207</b>

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

		Unreviewed Current Period	Unreviewed Prior Period	Unreviewed Current Period	Unreviewed Prior Period
	Notes	01.01.2024 30.09.2024	01.01.2023 30.09.2023	01.07.2024 30.09.2024	01.07.2023 30.09.2023
Revenue	13	1.049.369.320	1.338.146.566	460.665.386	428.994.194
Cost of Sales (-)	13	(549.553.846)	(570.684.160)	(248.798.584)	(161.745.587)
<b>GROSS PROFIT</b>		<b>499.815.474</b>	<b>767.462.406</b>	<b>211.866.802</b>	<b>267.248.607</b>
Marketing, Sales and Distribution Expenses (-)	14	(324.417.675)	(280.411.967)	(91.859.603)	(95.066.338)
General Administrative Expenses (-)	14	(94.832.791)	(91.708.130)	(40.122.264)	(26.177.377)
Research and Development Expenses (-)		(25.550.585)	(17.428.759)	(10.269.866)	(6.302.472)
Other Operating Income		26.912.839	13.484.811	9.353.749	(11.446.564)
Other Operating Expenses (-)		(53.240.642)	(44.767.382)	(17.901.975)	(20.354.161)
<b>OPERATING PROFIT</b>		<b>28.686.620</b>	<b>346.630.979</b>	<b>61.066.843</b>	<b>107.901.695</b>
Gains from Investment Activities		7.157.639	4.079.480	5.731.488	1.267.963
Losses from Investment Activities (-)		(956.159)	(371.456.341)	(43.889)	(371.456.341)
<b>Operating profit before financial income/(expense)</b>		<b>34.888.100</b>	<b>(20.745.882)</b>	<b>66.754.442</b>	<b>(262.286.683)</b>
Financial Income		14.742.576	38.843.869	5.933.526	25.281.638
Financial Expenses (-)		(139.463.486)	(94.150.102)	(44.590.407)	(33.467.698)
Net Monetary Position Gains/(Losses)		267.042.879	289.962.608	73.941.787	169.375.028
<b>PROFIT BEFORE TAX</b>		<b>177.210.069</b>	<b>213.910.493</b>	<b>102.039.348</b>	<b>(101.097.715)</b>
<b>Tax income/(expense)</b>	<b>15</b>	<b>18.917.683</b>	<b>(108.841.258)</b>	<b>(52.875.564)</b>	<b>(72.763.176)</b>
- Current period tax expense	15	(13.937.942)	(52.823.792)	(13.014.768)	(10.099.300)
- Deferred income tax	15	32.855.625	(56.017.466)	(39.860.796)	(62.663.876)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>196.127.752</b>	<b>105.069.235</b>	<b>49.163.784</b>	<b>(173.860.891)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>196.127.752</b>	<b>105.069.235</b>	<b>49.163.784</b>	<b>(173.860.891)</b>
<b>Attributable to</b>		196.127.752	105.069.235	49.163.784	(173.860.891)
Non-Controlling Interests		-	-	-	-
Equity Holders of the Parent		196.127.752	105.069.235	49.163.784	(173.860.891)
<b>Earnings per share</b>	<b>16</b>	<b>0.4546</b>	<b>0.2435</b>	<b>0.1140</b>	<b>(0.4030)</b>

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

		Unreviewed Current Period	Unreviewed Prior Period	Unreviewed Current Period	Unreviewed Prior Period
	Notes	01.01.2024 30.09.2024	01.01.2023 30.09.2023	01.07.2024 30.09.2024	01.07.2023 30.09.2023
<b>PROFIT FOR THE PERIOD</b>	<b>16</b>	<b>196.127.752</b>	<b>105.069.235</b>	<b>49.163.784</b>	<b>(173.860.891)</b>
<b>Items not to be reclassified to profit or loss</b>		<b>14.600.005</b>	-	<b>6.462.199</b>	-
Property, plant and equipment revaluation surplus		-	-	-	-
Intangible assets revaluation surplus		-	-	-	-
Gains/(losses) on remeasurements of defined benefit plans	10	19.466.673	-	8.616.266	-
Share of other comprehensive income/(expenses) of investments accounted for using the equity method		-	-	-	-
Other		-	-	-	-
Taxes relating to other comprehensive income not to be reclassified to profit or loss		(4.866.668)	-	(2.154.067)	-
- Revaluation of deferred income tax, net		-	-	-	-
- Gains/(losses) on remeasurements of defined benefit plans, deferred tax effect	15	(4.866.668)	-	(2.154.067)	-
<b>Items to be reclassified to profit or loss</b>		-	-	-	-
Currency translation differences		-	-	-	-
Gains/(losses) on revaluation and/or reclassification of financial assets available-for-sale		-	-	-	-
Gains/(losses) on cash flow hedges		-	-	-	-
Gains/(losses) on hedges of net investments in foreign operations		-	-	-	-
Actuarial gains and losses		-	-	-	-
Share of other comprehensive income/(expenses) of investments accounted for using the equity method		-	-	-	-
Taxes relating to other comprehensive income items		-	-	-	-
Taxes relating to other comprehensive income to be reclassified to profit or loss		-	-	-	-
-Current period tax expense		-	-	-	-
-Deferred income tax		-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>		<b>14.600.005</b>	-	<b>6.462.199</b>	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>210.727.757</b>	<b>105.069.235</b>	<b>55.625.983</b>	<b>(173.860.891)</b>
<b>Attributable to</b>		<b>210.727.757</b>	<b>105.069.235</b>	<b>55.625.983</b>	<b>(173.860.891)</b>
Non-Controlling Interests		-	-	-	-
Equity Holders of the Parent		210.727.757	105.069.235	55.625.983	(173.860.891)

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

Unreviewed Current Period	Notes	Paid-in Share Capital	Adjustment to Share Capital	Treasury Shares (-)	Share Premium	Items not to be Reclassified to Profit or Loss		Items to be Reclassified to Profit or Loss			Profit for the Period	Equity Holders of the Parent	Non- Controlling Interests	Total Equity
						Property, Plant and Equipment Revaluation Surplus	Gains/(Losses) on Remeasurements of Defined Benefit Plans	Currency Translation Differences	Restricted Reserves	Retained Earnings				
<b>Balances at 1 January 2024 (Beginning of the Period)</b>	<b>12</b>	<b>431.419.816</b>	<b>1.882.997.453</b>	<b>(35.450.961)</b>	<b>78.402.058</b>	-	<b>(33.117.929)</b>	-	<b>79.433.825</b>	<b>(784.317.010)</b>	<b>27.878.149</b>	<b>1.647.245.401</b>	-	<b>1.647.245.401</b>
Transfers	12	-	-	-	-	-	-	-	-	27.878.149	(27.878.149)	-	-	-
Gains/(losses) on share-based transactions	12	-	-	(1.118.810)	-	-	-	-	-	-	-	(1.118.810)	-	(1.118.810)
Total comprehensive income	12	-	-	-	-	-	14.600.005	-	-	-	196.127.752	210.727.757	-	210.727.757
- Other comprehensive income	12	-	-	-	-	-	14.600.005	-	-	-	-	14.600.005	-	14.600.005
- Profit for the period	12	-	-	-	-	-	-	-	-	-	196.127.752	196.127.752	-	196.127.752
<b>Balances at 30 September 2024 (End of the Period)</b>	<b>12</b>	<b>431.419.816</b>	<b>1.882.997.453</b>	<b>(36.569.771)</b>	<b>78.402.058</b>	-	<b>(18.517.924)</b>	-	<b>79.433.825</b>	<b>(756.438.861)</b>	<b>196.127.752</b>	<b>1.856.854.348</b>	-	<b>1.856.854.348</b>

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

Unreviewed Prior Period	Notes	Paid-in Share Capital	Adjustment to Share Capital	Treasury Shares (-)	Share Premium	Items not to be Reclassified to Profit or Loss		Items to be Reclassified to Profit or Loss			Profit for the Period	Equity Holders of the Parent	Non- Controlling Interests	Total Equity
						Property, Plant and Equipment Revaluation Surplus	Gains/(Losses) on remeasurements of defined benefit plans	Currency Translation Differences	Restricted Reserves	Retained Earnings				
<b>Balances at 1 January 2023 (Beginning of the Period)</b>	<b>12</b>	<b>431.419.816</b>	<b>1.882.997.453</b>	<b>-</b>	<b>78.402.057</b>	<b>-</b>	<b>(22.204.299)</b>	<b>-</b>	<b>70.834.613</b>	<b>(376.552.488)</b>	<b>(372.293.905)</b>	<b>1.692.603.247</b>	<b>-</b>	<b>1.692.603.247</b>
Transfers	12	-	-	-	-	-	-	-	9.170.968	(381.464.873)	372.293.905	-	-	-
Gains/(losses) on share-based transactions	12	-	-	(35.354.961)	-	-	-	-	-	-	-	(35.354.961)	-	(35.354.961)
Dividends paid	12	-	-	-	-	-	-	-	-	(32.184.964)	-	(32.184.964)	-	(32.184.964)
Total comprehensive income	12	-	-	-	-	-	-	-	-	-	105.069.235	105.069.235	-	105.069.235
- <i>Other comprehensive income</i>	12	-	-	-	-	-	-	-	-	-	-	-	-	-
- <i>Profit for the period</i>	12	-	-	-	-	-	-	-	-	-	105.069.235	105.069.235	-	105.069.235
<b>Balances at 30 September 2023 (End of the Period)</b>		<b>431.419.816</b>	<b>1.882.997.453</b>	<b>(35.354.961)</b>	<b>78.402.057</b>	<b>-</b>	<b>(22.204.299)</b>	<b>-</b>	<b>80.005.581</b>	<b>(790.202.325)</b>	<b>105.069.235</b>	<b>1.730.132.557</b>	<b>-</b>	<b>1.730.132.557</b>

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



CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH  
KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2024, unless otherwise indicated.)

	Notes	Unreviewed Current Period 01.01.2024 30.09.2024	Unreviewed Prior Period 01.01.2023 30.09.2023
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>444.946.793</b>	<b>152.391.929</b>
<b>Profit for the Period</b>		<b>196.127.752</b>	<b>105.069.235</b>
Profit for the Period from Continuing Operations		196.127.752	105.069.235
<b>Adjustments to reconcile profit for the period to cash generated from operating activities</b>		<b>182.609.639</b>	<b>440.870.905</b>
-Depreciation and amortisation		112.030.328	71.582.433
Adjustments for Impairment Loss (Reversal)		(163.214)	2.648.037
<i>Adjustments for Inventory Impairment (Reversal)</i>		<i>(163.214)</i>	<i>2.648.037</i>
Adjustments for Provisions		26.399.854	78.658.890
<i>Adjustments for Provision for Employee Benefits (Reversal)</i>		<i>12.600.764</i>	<i>68.549.254</i>
<i>Adjustments for Provision for Litigations or Lawsuits, Penalties (Reversal)</i>		<i>15.424.865</i>	<i>2.257.409</i>
<i>Adjustments for Other Provisions</i>		<i>(1.625.775)</i>	<i>7.852.227</i>
Adjustments for interest income and expenses		117.912.871	75.730.175
<i>Interest income</i>		<i>(11.214.689)</i>	<i>(18.419.927)</i>
<i>Interest expenses</i>		<i>129.127.560</i>	<i>94.150.102</i>
Adjustments for fair value gains/(losses)		-	218.904.725
<i>Investment properties</i>		<i>-</i>	<i>218.904.725</i>
Revaluation surplus gains/(losses)		-	152.551.617
Adjustments for losses/(gains) on disposal of non-current assets		173.849	(3.811.673)
<i>Property, plant and equipment</i>		<i>173.849</i>	<i>(3.811.673)</i>
Adjustments for tax income/expense		(18.917.683)	108.841.258
Net monetary position gains/losses		(54.826.366)	(264.234.557)
<b>Changes in Working Capital</b>		<b>199.126.005</b>	<b>(196.548.484)</b>
Adjustments for Gains/(Losses) on Trade Receivables		(19.756.493)	(203.864.360)
<i>Third Parties</i>		<i>(18.010.794)</i>	<i>(204.951.472)</i>
<i>Related Parties</i>		<i>(1.745.699)</i>	<i>1.087.112</i>
Adjustments for Gains/(Losses) on Other Receivables Related to Operations		(7.281.398)	(12.186.670)
<i>Third Parties</i>		<i>(6.984.930)</i>	<i>(8.732.243)</i>
<i>Related Parties</i>		<i>(296.468)</i>	<i>(3.454.427)</i>
Adjustments for gains/(losses) on Inventories		56.356.674	(73.940.239)
Adjustments for gains/(losses) on Trade Payables		35.486.858	76.396.431
<i>Third Parties</i>		<i>32.450.630</i>	<i>62.212.018</i>
<i>Related Parties</i>		<i>3.036.228</i>	<i>14.184.413</i>
Adjustments for Gains/(Losses) on Other Payables Related to Operations		5.856.958	(2.279.093)
<i>Third Parties</i>		<i>5.864.831</i>	<i>3.244.640</i>
<i>Related Parties</i>		<i>(7.873)</i>	<i>(5.523.733)</i>
Adjustments for gains/(losses) on payables due to employee benefits		4.499.229	19.284.741
Changes in Prepaid Expenses		92.011.753	(117.291.730)
Other adjustments for increase/(decrease) in other working capital		9.805.939	4.222.668
<i>Gains/(Losses) on Other Assets from Operations</i>		<i>9.805.939</i>	<i>4.222.668</i>
Changes in Deferred Income		22.146.488	113.109.771
Other Changes in Working Capital		(3)	(3)
<b>Cash Flows from Operating Activities</b>		<b>577.863.396</b>	<b>349.391.656</b>
Income Taxes Refund/Paid		(123.761.449)	(164.944.765)
Payments within provisions for employee benefits		(9.155.154)	(32.054.962)
<b>Cash Flows from Operating Activities</b>		<b>444.946.793</b>	<b>152.391.929</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Changes in Financial Investments		147.908	-
Cash outflows from purchase of property, plant and equipment and intangible assets		(345.423.753)	(141.429.533)
Cash inflows from sale of property, plant and equipment and intangible assets		2.470.272	3.811.673
<b>Cash flows from investing activities</b>		<b>(342.805.573)</b>	<b>(137.617.860)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash outflows from treasury shares		(1.118.810)	(35.354.961)
Cash inflows from borrowings		78.505.932	224.389.413
Changes in blocked deposits		2.527.732	(4.864.249)
Dividends paid		-	(14.377.206)
Interest received		11.214.689	18.419.927
Interest paid		(129.127.560)	(94.150.102)
Cash inflows from lease liabilities		22.749.518	7.313.020
Adjustments for inflation of financing activities		(93.707.400)	(113.093.883)
<b>Cash flows from financing activities</b>		<b>(108.955.899)</b>	<b>(11.718.041)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(6.814.679)</b>	<b>3.056.028</b>
<b>BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>			
<b>D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
Monetary loss on cash and cash equivalents		(19.448.477)	(73.158.975)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(26.263.156)</b>	<b>(70.102.947)</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>3</b>	<b>73.682.424</b>	<b>132.237.084</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3</b>	<b>47.419.268</b>	<b>62.134.137</b>

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

NOTE 1 – GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Koleksiyon Mobilya Sanayi Anonim Şirketi (the “Company” or “Koleksiyon Mobilya”) was established on 18 August 1998 in Türkiye. Koleksiyon Mobilya’s business activities include ensuring furniture manufacturing, import, sales and marketing.

Koleksiyon Mobilya is registered with CMB and subject to regulations of the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul Main Market (“BIST”) since 4 March 2022. The Group’s public float percentage is 25%.

As of 30 September 2024 and 31 December 2023, the subsidiary (“Subsidiary”) included in the scope of consolidation of Koleksiyon Mobilya, their direct and indirect ownership interests and nature of business are as follows:

Subsidiary	Nature of Business	Country of Incorporation	30 September 2024 Effective Ownership Interest Held by Koleksiyon Mobilya (%)	31 December 2023 Effective Ownership Interest Held by Koleksiyon Mobilya (%)
Büyükdere Gayrimenkul Yatırım ve İnşaat Ticaret Anonim Şirketi	Real Estate	Türkiye	100	100

Büyükdere Gayrimenkul Yatırım ve İnşaat Anonim Şirketi was established in 1983 in İstanbul, Türkiye.

Büyükdere Gayrimenkul’s business activities include ensuring lease and rental of real estate. Total end of the nine-month interim period ended and average number of personnel employed by Büyükdere Gayrimenkul is 0 (31 December 2023: 0).

The accompanying interim condensed consolidated financial statements and related notes to the consolidated financial statements of Koleksiyon Mobilya Sanayi Anonim Şirketi (“parent company”) and its subsidiary together hereinafter referred as the “Group”.

The registered addresses of Koleksiyon Mobilya are as follows:

Head office: Cumhuriyet Mahallesi, Hacı Osman Caddesi, No:25 34457 Sarıyer/İstanbul.

Tekirdağ Production Facility: Barbaros Mahallesi, Malkara Caddesi, No:129/1 Süleymanpaşa/Tekirdağ

Total end of the interim period and average number of personnel employed by Koleksiyon Mobilya is 477 (31 December 2023: 499).

As of 30 September 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Koleksiyon Mobilya are as follows:

Shareholders	30 September 2024		31 December 2023	
	Share (%)	Amount	Share (%)	Amount
Faruk MALHAN	2.24	9.645.098	2.24	9.645.098
M. Koray MALHAN	35.51	153.212.818	35.51	153.212.818
Doruk MALHAN	1.74	7.494.129	1.74	7.494.129
Ayşe MALHAN	35.51	153.212.818	35.51	153.212.818
Listed shares (Other)	25.00	107.854.953	25.00	107.854.953
<b>Total paid-in share capital</b>	<b>100.00</b>	<b>431.419.816</b>	<b>100.00</b>	<b>431.419.816</b>
Adjustment to share capital		1.882.997.453		1.882.997.453
<b>Total share capital</b>		<b>2.314.417.269</b>		<b>2.314.417.269</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES**

**2.01 Basis of presentation of interim condensed consolidated financial statements**

**Statement of compliance with TFRS**

The accompanying interim condensed consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”)/Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676.

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

Koleksiyon Mobilya Sanayi Anonim Şirketi and its subsidiary incorporated in Türkiye maintains their books of account and prepares their statutory consolidated financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and Turkish Financial Reporting Standards (“TFRS”). Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TL, which is Koleksiyon Mobilya’s functional and presentation currency.

The interim condensed consolidated financial statements have been prepared on the basis of historical cost for overseas operations and, for domestic operations, on a cost basis indexed in accordance with TAS 29, except for financial assets and liabilities at fair value. The statutory records have been adjusted and reclassified as necessary to ensure appropriate presentation in accordance with TFRS.

In accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting”, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these complete set of consolidated financial statements should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2023. These condensed consolidated financial statements are prepared in accordance with TFRS issued by POA and recommended by CMB.

**Approval of the interim condensed consolidated financial statements**

These condensed consolidated financial statements as of and for the interim period ended 30 September 2024 have been approved for issue by the Board of Directors (“BOD”) on 6 November 2024. These condensed consolidated financial statements will be finalised following the approval by the General Assembly.

**Going concern**

As of 30 September 2024, the Group has prepared its interim condensed consolidated financial statements with the assumption on the Group’s ability to continue its operations in the foreseeable future as a going concern basis of accounting.

**Adjustments of financial statements in hyperinflationary periods**

*Financial reporting in hyperinflationary economies*

Entities applying TFRSs have started to apply inflation accounting under TAS 29 “Financial Reporting in Hyperinflation Economies” as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Authority (“POA”) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

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

In accordance with the CMB's resolution number 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index (“CPI”) in Türkiye published by the Turkish Statistical Institute (“TURKSTAT”). As of 30 September 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

<b>Date</b>	<b>Index</b>	<b>Adjustment coefficient</b>	<b>Three-year cumulative inflation rates</b>
30 September 2024	2.526,16	1.00000	343%
31 December 2023	1.859,38	1.35860	268%
30 September 2023	1.691,04	1.49385	254%

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

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

**Measurement basis**

These interim condensed consolidated financial statements have been prepared under the historical cost conversion except for the financial investments at their fair values.

**Functional and reporting currency**

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

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

2.02 New and Revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

*Standards, amendments, and interpretations applicable as of 30 September 2024:*

**Amendments to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. These amendments have no material influence on the Group’s interim condensed consolidated financial statements.

**Amendment to TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. These amendments have no material influence on the Group’s interim condensed consolidated financial statements.

**Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis. These amendments have no material influence on the Group’s interim condensed consolidated financial statements.

**TFRS S1, “General requirements for disclosure of sustainability-related financial information”;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain. These amendments have no material influence on the Group’s consolidated financial statements.

**TFRS S2, “Climate-related disclosures”;** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. These amendments have no material influence on the Group’s consolidated financial statements.

The Group is assessing the amendments on its condensed consolidated financial position and performance.

*Standards, amendments, and interpretations that are issued but not effective as of 30 September 2024*

**TFRS 17, “Insurance Contracts”;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts. The application of TFRS 17 is postponed to 1 January 2015 by POA. The standard has no material influence on the Group’s interim condensed consolidated financial statements.

**Amendments to TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. These amendments have no material influence on the Group’s interim condensed consolidated financial statements.

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

**Amendments to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 ( early adoption is available)

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

These amendments have no material influence on the Group’s interim condensed consolidated financial statements.

**TFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with TFRS Accounting Standards.

These amendments have no material influence on the Group’s consolidated financial statements.

**2.03 Basis of consolidation**

Subsidiaries are companies over which Koleksiyon Mobilya has the power to control the financial and operating policies for the benefit of Koleksiyon Mobilya, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, and/or by certain Koleksiyon Mobilya members and companies owned by them where by Koleksiyon Mobilya exercises control over the ownership interest of the shares held by them and shares to be used according to Koleksiyon Mobilya preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Koleksiyon Mobilya has power to control the investee due to the dispersed capital structure of the investee and/or Koleksiyon Mobilya has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

The statements of financial position and profit or loss of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Koleksiyon Mobilya and its subsidiary is eliminated against the related equity. Intercompany transactions and balances between Koleksiyon Mobilya and its subsidiary are eliminated during the consolidation. The nominal amount of the shares held by Koleksiyon Mobilya in its subsidiary dividends are eliminated from equity and income for the period, respectively.

As of 30 September 2024 and 31 December 2023, the subsidiaries (“Subsidiaries”), included in the consolidation scope of Koleksiyon Mobilya, their voting rights, direct and indirect effective ownership interests are as follows:

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Subsidiary	30.09.2024	31.12.2023	Accounting method
Büyükdere Gayrimenkul Yatırım ve İnşaat Ticaret A.Ş.	100.0%	100.0%	Full consolidation method

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

Intercompany transactions and balances between Koleksiyon Mobilya and its subsidiary, Büyükdere Gayrimenkul Yatırım ve İnşaat Ticaret Anonim Şirketi, are eliminated during the consolidation. The subsidiary of the Group is consolidated in accordance with full consolidation method.

#### 2.04 Offsetting

Financial assets and liabilities are offset, and the net amount is recognised in the interim condensed statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.05 Comparatives and adjustment of prior periods' consolidated financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements. The Group prepared its interim condensed consolidated statement of financial position as at 30 September 2024 on a comparative basis with its interim condensed consolidated statement of financial position as at 31 December 2023; and interim condensed consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the period 1 January- 30 September 2024 on a comparative basis with the consolidated financial statements for the period 1 January- 30 September 2023.

#### 2.06 Summary of significant accounting policies

The significant accounting policies used in the preparation of the Group's condensed consolidated financial statements for the nine-month interim period ended on 30 September 2024 are applied consistently to the accounting policies disclosed in detail in the consolidated financial statements as of and for the year ended 31 December 2023.

#### 2.07 Changes in accounting policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's interim condensed consolidated financial statements are adjusted. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in.

#### 2.08 Changes in accounting estimates and errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

The nature and amount of a change in the accounting estimate, which has a material influence on the outcome of the current period or is expected to have a material influence on subsequent periods, is disclosed in the notes

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of 30 September 2024 and 31 December 2023, the functional breakdown of cash and cash equivalents is as follows:

Account Name	30.09.2024	31.12.2023
Cash on hand	11.686	29.589
Banks	48.061.614	77.975.590
- Demand deposit - TL	678.038	22.046.532
- Demand deposit - EUR	717.897	655.579
- Demand deposit - GBP	2.730	1.079.205
- Demand deposit - USD	10.212.527	12.507.015
- Demand deposit - KWD	-	39.265
- Time deposit - TL (*)	35.796.390	37.325.239
- Blocked deposit	654.032	4.322.755
<b>Cash and cash equivalents, net</b>	<b>48.073.300</b>	<b>78.005.179</b>

(\*) The annual effective interest rate on time deposits is 42% (31 December 2023: 36%).

The changes in blocked deposits of Koleksiyon Mobilya are as follows:

	30.09.2024	31.12.2023
Cash and cash equivalents	48.073.300	78.005.179
Blocked deposit (-)	(654.032)	(4.322.755)
<b>Total</b>	<b>47.419.268</b>	<b>73.682.424</b>

The maturity analysis of time deposits is as follows:

Maturity schedule	30.09.2024	31.12.2023
1-30 days	34.227.103	37.325.239
30-60 days	1.569.287	-
<b>Total</b>	<b>35.796.390</b>	<b>37.325.239</b>

NOTE 4 - BORROWINGS

As of 30 September 2024 and 31 December 2023, the breakdown of borrowings is as follows:

Short-term borrowings

Account Name	30.09.2024	31.12.2023
Bank borrowings	135.657.521	115.451.941
Finance lease liabilities	12.693.690	-
Lease liabilities	11.214.841	1.211.032
Other	38.698.338	4.670.456
<b>Short-term borrowings, net</b>	<b>198.264.390</b>	<b>121.333.429</b>

Short-term portion of long-term borrowings

Account Name	30.09.2024	31.12.2023
Principal and interest installments of long-term borrowings	58.232.739	136.443.805
<b>Short-term portion of long-term borrowings, net</b>	<b>58.232.739</b>	<b>136.443.805</b>



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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

**Long-term borrowings**

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Bank borrowings	49.576.861	170.050.046
Finance lease liabilities	16.095.409	-
Lease liabilities	16.251.584	5.197.374
Other	81.562.252	-
<b>Long-term borrowings, net</b>	<b>163.486.106</b>	<b>175.247.420</b>

a) The redemption schedule of bank borrowings and finance lease liabilities is as follows:

<b>Maturity schedule</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
0-3 months	94.173.237	33.735.552
4-12 months	112.410.713	218.160.194
13-60 months	63.881.845	170.050.046
60 months and over	1.790.425	-
<b>Total</b>	<b>272.256.220</b>	<b>421.945.792</b>

b) The annual effective interest rates of bank borrowings and finance lease liabilities denominated in TL and foreign currencies are as follows:

**30.09.2024**

<b>Type</b>	<b>Original currency amount</b>	<b>TL equivalent</b>	<b>Annual effective interest rate (%)</b>
Borrowings - TL	-	221.328.322	9-82
Finance leases - TL	-	283.957	84
Borrowings - EUR	578.073	22.138.800	7-8
Finance leases - EUR	744.306	28.505.141	10-11
<b>Total</b>		<b>272.256.220</b>	

**31.12.2023**

<b>Type</b>	<b>Original currency amount</b>	<b>TL equivalent</b>	<b>Annual effective interest rate (%)</b>
Borrowings - TL	-	409.301.506	33-52
Borrowings - EUR	285.714	12.644.286	9-10
<b>Total</b>		<b>421.945.792</b>	

**NOTE 5 - TRADE RECEIVABLES AND PAYABLES**

As of 30 September 2024 and 31 December 2023, the breakdown of short-term trade receivables is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Trade receivables from third parties	133.962.062	157.531.788
- Customers	119.253.805	142.348.583
- Notes receivables	14.708.257	15.183.205
- Doubtful trade receivables	20.909.684	28.728.630
- Provision for doubtful trade receivables (-)	(20.909.684)	(28.728.630)
Trade receivables from related parties	2.262.998	702.804
<b>Short-term trade receivables, net</b>	<b>136.225.060</b>	<b>158.234.592</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

The Group assesses and considers the collectability of trade receivables by considering the past payment performance of its customers. Accordingly, the Group conducts risk assessments of its customers in accordance with TFRS 9 "Financial Instruments" and manages the risks by categorizing its customers.

The movement of provision for doubtful receivables is as follows:

	01.01.2024	01.01.2023
	30.09.2024	30.09.2023
Beginning of the period – 1 January	28.728.630	46.125.708
Additions (+)	-	3.607.330
Collections (-)	(7.818.946)	(16.885.279)
<b>End of the period – 30 September</b>	<b>20.909.684</b>	<b>32.847.759</b>

The guarantees and collaterals obtained against trade receivables are disclosed in Note 10.

As of 30 September 2024 and 31 December 2023, the Group has no long-term trade receivables.

As of 30 September 2024 and 31 December 2023, the breakdown of short-term trade payables is as follows:

Account Name	30.09.2024	31.12.2023
Trade payables to third parties	122.035.137	121.709.816
-Suppliers	122.035.137	121.709.816
Trade payables to related parties	3.036.228	-
<b>Short-term trade payables, net</b>	<b>125.071.365</b>	<b>121.709.816</b>

As of 30 September 2024 and 31 December 2023, the Group has no long-term trade payables.

NOTE 6 – INVENTORIES

As of 30 September 2024 and 31 December 2023, the details of inventories are as follows:

Account Name	30.09.2024	31.12.2023
Raw materials and supplies	117.816.251	141.832.041
Semi-finished goods	42.514.584	51.514.691
Goods	160.617.585	185.296.368
Merchandise	96.767.781	95.186.763
Other inventories	122.770	365.783
Less: Provision for impairment	(10.719.569)	(10.882.783)
<b>Total</b>	<b>407.119.402</b>	<b>463.312.863</b>

The movement of provision for impairment on inventories is as follows:

	01.01.2024	01.01.2023
	30.09.2024	30.09.2023
Beginning of the period – 1 January	10.882.783	7.607.604
Additions (+)	-	2.648.037
Decreases during the period (-)	(163.214)	-
<b>End of the period – 30 September</b>	<b>10.719.569</b>	<b>10.255.641</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

NOTE 7 - PREPAID EXPENSES AND DEFERRED INCOME

As of 30 September 2024 and 31 December 2023, the functional breakdown of short-term prepaid expenses is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Short-term prepaid expenses	11.344.614	21.333.493
Advances given	20.898.750	43.688.569
<b>Short-term prepaid expenses, net</b>	<b>32.243.364</b>	<b>65.022.062</b>

As of 30 September 2024 and 31 December 2023, the functional breakdown of long-term prepaid expenses is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Long-term prepaid expenses	1.091.687	72.169
Advances given for non-current assets	-	105.202.364
<b>Long-term prepaid expenses, net</b>	<b>1.091.687</b>	<b>105.274.533</b>

As of 30 September 2024 and 31 December 2023, the functional breakdown of short-term deferred income is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Short-term deferred income	58.975.522	52.042.157
Advances received	110.200.303	161.553.177
<b>Short-term deferred income, net</b>	<b>169.175.825</b>	<b>213.595.334</b>

As of 30 September 2024 and 31 December 2023, the functional breakdown of long-term deferred income is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Long-term deferred income	10.187.500	-
<b>Long-term deferred income, net</b>	<b>10.187.500</b>	<b>-</b>

NOTE 8 - INVESTMENT PROPERTIES

As of 30 September 2024 and 31 December 2023, the details of investment properties are as follows:

**30.09.2024**

<b>Cost</b>					
<b>Account Name</b>	<b>Opening balance – 1 January 2024</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Revaluation surplus</b>	<b>Closing balance – 30 September 2024</b>
Land	704.567.698	-	-	-	704.567.698
<b>Total</b>	<b>704.567.698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>704.567.698</b>

**31.12.2023**

<b>Cost</b>					
<b>Account Name</b>	<b>Opening balance – 1 January 2023</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Revaluation surplus</b>	<b>Closing balance – 31 December 2023</b>
Land	923.472.424	-	-	(218.904.726)	704.567.698
<b>Total</b>	<b>923.472.424</b>	<b>-</b>	<b>-</b>	<b>(218.904.726)</b>	<b>704.567.698</b>

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

The Group conducts its operations on 15,226 m<sup>2</sup> of its total 37,287 m<sup>2</sup> land in Sarıyer, where the Group’s head office is also located in Sarıyer. The remaining 22,061 m<sup>2</sup> is designated as a green area.

In accordance with the decision of the General Assembly on 19 November 2021 and numbered 3, the Group has decided to consider the land classified under assets for potential sale and revenue sharing, depending on favorable conditions in the construction sector. Following the relevant decision, the 22,061 m<sup>2</sup> “Green Area” portion of the aforementioned land has been classified as an investment property under the provisions of TAS 40 “Investment Property”.

**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT**

As of 30 September 2024 and 31 December 2023, the movements for property, plant and equipment, and related depreciation are as follows:

<b>Cost</b>	<b>Opening balance – 1 January 2024</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Revaluation surplus</b>	<b>Closing balance – 30 September 2024</b>
Land	651.051.242	238.581.412	-	-	889.632.654
Land improvements	579.741	-	-	-	579.741
Buildings	289.491.860	9.911.631	-	-	299.403.491
Plant, machinery and equipment	531.871.475	5.406.190	(1.593.426)	-	535.684.239
Motor vehicles	50.277.892	11.515.939	-	-	61.793.831
Furniture and fixtures	233.385.602	4.001.469	(310.984)	-	237.076.087
Other property, plant and equipment	142.579.068	512.551	-	-	143.091.619
Leasehold improvements	291.744.796	3.458.435	-	-	295.203.231
Property, plant and equipment acquired through finance leases	-	35.148.833	-	-	35.148.833
Right of use assets	9.097.080	34.616.951	(9.097.080)	-	34.616.951
Constructions in progress	958.288	2.616.521	-	-	3.574.809
<b>Total</b>	<b>2.201.037.044</b>	<b>345.769.932</b>	<b>(11.001.490)</b>	<b>-</b>	<b>2.535.805.486</b>

<b>Accumulated depreciation (-)</b>	<b>Opening balance – 1 January 2024</b>	<b>Current period depreciation</b>	<b>Disposals (-)</b>	<b>Revaluation surplus</b>	<b>Closing balance – 30 September 2024</b>
Land improvements	(198)	(54.400)	-	-	(54.598)
Buildings	(12.321.669)	(4.671.725)	-	-	(16.993.394)
Plant, machinery and equipment	(120.862.157)	(37.038.142)	707.296	-	(157.193.003)
Motor vehicles	(18.321.348)	(14.856.905)	-	-	(33.178.253)
Furniture and fixtures	(215.442.242)	(3.680.734)	192.558	-	(218.930.418)
Other property, plant and equipment	(139.514.697)	(902.657)	-	-	(140.417.354)
Leasehold improvements	(203.788.120)	(18.080.177)	-	-	(221.868.297)
Property, plant and equipment acquired through finance leases	-	(1.725.214)	-	-	(1.725.214)
Right of use assets	(5.504.769)	(8.462.661)	5.504.769	-	(8.462.661)
<b>Total</b>	<b>(715.755.200)</b>	<b>(89.472.615)</b>	<b>6.404.623</b>	<b>-</b>	<b>(798.823.192)</b>
<b>Net book value</b>	<b>1.485.281.844</b>				<b>1.736.982.294</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Cost	Opening balance – 1 January 2023	Additions	Disposals (-)	Revaluation surplus	Closing balance – 31 December 2023
Land	802.081.993	-	-	(151.030.751)	651.051.242
Land improvements	-	579.741	-	-	579.741
Buildings	243.672.398	-	-	45.819.462	289.491.860
Plant, machinery and equipment	359.022.067	172.975.242	(125.834)	-	531.871.475
Motor vehicles	18.699.033	49.002.004	(17.423.145)	-	50.277.892
Furniture and fixtures	221.830.983	12.061.756	(507.137)	-	233.385.602
Other property, plant and equipment	141.900.530	678.538	-	-	142.579.068
Leasehold improvements	234.550.631	57.194.165	-	-	291.744.796
Right of use assets	9.097.080	-	-	-	9.097.080
Constructions in progress	951.185	7.103	-	-	958.288
<b>Total</b>	<b>2.031.805.900</b>	<b>292.498.549</b>	<b>(18.056.116)</b>	<b>(105.211.289)</b>	<b>2.201.037.044</b>

Accumulated depreciation (-)	Opening balance – 1 January 2023	Current period depreciation	Disposals (-)	Revaluation surplus	Closing balance – 31 December 2023
Land improvements	-	(198)	-	-	(198)
Buildings	(6.176.408)	(6.145.261)	-	-	(12.321.669)
Plant, machinery and equipment	(82.643.575)	(38.224.874)	6.292	-	(120.862.157)
Motor vehicles	(5.647.725)	(12.964.008)	290.385	-	(18.321.348)
Furniture and fixtures	(209.399.660)	(6.549.719)	507.137	-	(215.442.242)
Other property, plant and equipment	(137.390.254)	(2.124.443)	-	-	(139.514.697)
Leasehold improvements	(187.175.653)	(16.612.467)	-	-	(203.788.120)
Right of use assets	(5.504.769)	-	-	-	(5.504.769)
<b>Total</b>	<b>(633.938.044)</b>	<b>(82.620.970)</b>	<b>803.814</b>	<b>-</b>	<b>(715.755.200)</b>
<b>Net book value</b>	<b>1.397.867.856</b>				<b>1.485.281.844</b>

Total insurance coverage on assets and the information regarding pledges and mortgages on property, plant and equipment are disclosed in Note 10.

NOTE 10 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As of 30 September 2024 and 31 December 2023, the details of provisions, contingent liabilities and contingent assets are as follows:

*i) Provisions*

Account Name	30.09.2024	31.12.2023
Provision for lawsuits	104.197.893	120.607.338
Provision for unused vacation	5.808.473	6.431.965
<b>Total</b>	<b>110.006.366</b>	<b>127.039.303</b>

The movement of provision for lawsuits is as follows:

Account Name	01.01.2024	01.01.2023
	30.09.2024	31.12.2023
Beginning of the period – 1 January	120.607.338	2.689.569
Additions	15.424.865	118.975.050
Provisions no longer required	(31.834.310)	(1.057.281)
<b>End of the period</b>	<b>104.197.893</b>	<b>120.607.338</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

The movement of provision for unused vacation is as follows:

Account Name	01.01.2024	01.01.2023
	30.09.2024	31.12.2023
Beginning of the period – 1 January	6.431.965	8.559.290
Additions	1.074.225	1.237.366
Provisions no longer required	(1.697.717)	(3.364.691)
<b>End of the period</b>	<b>5.808.473</b>	<b>6.431.965</b>

*ii) Commitments, mortgages and guarantees not included in the liability*

As of 30 September 2024 and 31 December 2023, the details of the Group's collaterals/pledges/mortgages ("C&P&M") are as follows:

Type	30 September 2024			31 December 2023		
	Original	Currency	TL Equivalent	Original	Currency	TL Equivalent
	Currency Amount			Currency Amount		
Letter of guarantee given	98.842.638	TL	98.842.638	156.767.788	TL	156.767.788
Letter of guarantee given	55.940	USD	1.907.392	-	USD	-
Letter of guarantee given	762.850	EUR	29.098.684	-	EUR	-
Guarantee notes given	45.091.063	TL	45.091.063	10.487.554	TL	10.487.554
Guarantee notes given	88.650	EUR	3.381.528	88.650	EUR	2.885.655
Cheques given	2.818.709	TL	2.818.709	2.041.334.611	TL	2.041.334.611
Cheques given	181.000	USD	6.171.575	181.000	USD	5.324.586
Mortgages given	608.900.000	TL	608.900.000	56.835.318	TL	56.835.318
Mortgages given	45.000.000	USD	1.534.369.500	45.000.000	USD	1.323.792.000
Mortgages given	46.000.000	EUR	1.754.656.200	46.000.000	EUR	1.497.350.600
<b>Total</b>			<b>4.085.237.289</b>			<b>5.094.778.110</b>

*iii) Ratio of guarantees and mortgages to equity*

As of 30 September 2024 and 31 December 2023, the Group's collateral/pledge/mortgage ("C&P&M") position is as follows:

Collaterals, Pledges, Mortgages Given by the Group	30.09.2024	31.12.2023
<b>A. Total amount of CPM's given in the name of its own legal personality</b>	<b>4.085.237.289</b>	<b>5.094.778.110</b>
i. Letter of guarantee	187.311.589	2.216.800.193
ii. Mortgages	3.897.925.700	2.877.977.918
iii. Bill of guarantees	-	-
<b>B. Total amount of CPM's given on behalf of the fully consolidated subsidiaries</b>	<b>-</b>	<b>-</b>
<b>C. Total amount of CPM's given on behalf of third parties for ordinary course of business</b>	<b>-</b>	<b>-</b>
<b>D. Total amount of other CPM's given</b>	<b>-</b>	<b>-</b>
i) Total amount of CPM's given on behalf of the majority shareholder	-	-
ii) Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
<b>Total</b>	<b>4.085.237.289</b>	<b>5.094.778.110</b>

As of 30 September 2024, the ratio of guarantees and mortgages to equity given by the Group is 0% (31 December 2023: 0%).

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

As of 30 September 2024 and 31 December 2023, the details of the collaterals/pledges/mortgages (“C&P&M”) received are as follows:

Type	30 September 2024			31 December 2023		
	Original Currency Amount	Currency	TL Equivalent	Original Currency Amount	Currency	TL Equivalent
Letter of guarantee received	22.600.000	TL	22.600.000	42.794.438	TL	42.794.438
Guarantee notes received	10.000.000	TL	10.000.000	13.983.726	TL	13.983.726
Cheques received	299.000	TL	299.000	15.308.970	TL	15.308.970
Cheques received	985.500	EUR	37.591.602	985.500	EUR	32.079.109
<b>Total</b>			<b>70.490.602</b>			<b>104.166.243</b>

*iv) Total insurance coverage on assets*

As of 30 September 2024, total insurance coverage on the assets of the Group is amounting to TL 1.724.975.650 (31 December 2023: TL 2.094.112.614).

**LONG-TERM PROVISIONS**

As of 30 September 2024 and 31 December 2023, the details and breakdown of provision for employment termination benefits are as follows:

Account Name	30.09.2024	31.12.2023
-Long-term provisions for employee benefits	39.407.082	68.692.995
<i>Provision for employment termination benefits</i>	<i>39.407.082</i>	<i>68.692.995</i>
<b>Total</b>	<b>39.407.082</b>	<b>68.692.995</b>

Under Turkish Labour Law, Koleksiyon Mobilya and its subsidiary are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 30 September 2024, the amount payable consists of one month’s salary limited to a maximum of TL 41.828,42 (31 December 2023: TL 35.058,58) for each year of service.

The liability is not funded as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the entity’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

As of 30 September 2024, the provisions in the accompanying interim condensed consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of 30 September 2024, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 21% and an interest rate of 25%, resulting in a discount rate of 3.31% (31 December 2023: 1.63%). The inflation and discount estimates represents the long-term expectations of the Group management. These estimates are reviewed at each balance sheet date and revised, if deemed necessary.

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

The movements of provision for employment termination benefits are as follows:

	<b>01.01.2024</b>	<b>01.01.2023</b>
	<b>30.09.2024</b>	<b>31.12.2023</b>
Beginning of the period – 1 January	50.561.478	71.462.921
Service costs	4.791.161	38.726.076
Interest costs	8.539.357	1.197.714
Loss on remeasurements of defined benefit plans	4.136.913	(28.092.371)
Actuarial (gains)/losses	(19.466.673)	14.551.505
Payments during the period (-)	(9.155.154)	(29.152.850)
<b>End of the period</b>	<b>39.407.082</b>	<b>68.692.995</b>

NOTE 11 - OTHER ASSETS AND LIABILITIES

As of 30 September 2024 and 31 December 2023, the detailed analysis of other current assets is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Deferred VAT	4.983.025	18.458.751
Advances given to employees	742.018	375.434
Cash advances	229.215	130.636
Other	523.482	3.158.241
<b>Other current assets, net</b>	<b>6.477.740</b>	<b>22.123.062</b>

NOTE 12 – EQUITY

i) Share capital/Capital adjustments due to cross-ownership

As of 30 September 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Koleksiyon Mobilya are as follows:

<b>Shareholders</b>	<b>30 September 2024</b>		<b>31 December 2023</b>	
	<b>Share (%)</b>	<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>
Faruk MALHAN	2.24	9.645.098	2.24	9.645.098
M. Koray MALHAN	35.51	153.212.818	35.51	153.212.818
Doruk MALHAN	1.74	7.494.129	1.74	7.494.129
Ayşe MALHAN	35.51	153.212.818	35.51	153.212.818
Listed shares (Other)	25.00	107.854.953	25.00	107.854.953
<b>Total paid-in share capital</b>	<b>100.00</b>	<b>431.419.816</b>	<b>100.00</b>	<b>431.419.816</b>
Adjustment to share capital		1.882.997.453		1.882.997.453
<b>Total share capital</b>		<b>2.314.417.269</b>		<b>2.314.417.269</b>

ii) Equity

As of 30 September 2024 and 31 December 2023, the breakdown of equity items is as follows:

<b>Account Name</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Paid-in share capital	431.419.816	431.419.816
Adjustment to share capital	1.882.997.453	1.882.997.453
Share premium	78.402.058	78.402.058
Treasury shares	(36.569.771)	(35.450.961)
Other comprehensive income or expenses not to be reclassified to profit or loss	(18.517.924)	(33.117.929)
Restricted reserves	79.433.825	79.433.825
Retained earnings	(756.438.861)	(784.317.010)
Profit for the period	196.127.752	27.878.149
<b>Total equity</b>	<b>1.856.854.348</b>	<b>1.647.245.401</b>



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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

NOTE 13 - REVENUE AND COST OF SALES

As of 30 September 2024 and 2023, the functional breakdown of revenue and cost of sales is as follows:

Account Name	01.01.2024	01.01.2023	01.07.2024	01.07.2023
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Domestic sales	951.730.733	1.428.796.477	438.792.673	524.418.139
Foreign sales	270.798.589	258.086.045	97.309.150	83.459.824
Other revenue	6.508.568	3.434.924	4.722.078	2.883.112
Sales returns (-)	(9.281.016)	(63.266.629)	(3.368.325)	(59.068.064)
Sales discounts (-)	(170.387.554)	(288.904.250)	(76.790.191)	(122.698.817)
<b>Net sales</b>	<b>1.049.369.320</b>	<b>1.338.146.566</b>	<b>460.665.386</b>	<b>428.994.194</b>
Cost of merchandise sold (-)	(66.896.873)	(53.442.480)	(41.665.323)	(16.220.962)
Cost of goods sold (-)	(381.022.850)	(451.823.074)	(152.942.381)	(118.020.363)
Cost of services sold (-)	(1.448.947)	(1.767.871)	(384.629)	3.395.510
Depreciation and amortisation charges	(100.185.176)	(63.650.735)	(53.806.251)	(30.899.772)
<b>Cost of sales (-)</b>	<b>(549.553.846)</b>	<b>(570.684.160)</b>	<b>(248.798.584)</b>	<b>(161.745.587)</b>
<b>Gross profit</b>	<b>499.815.474</b>	<b>767.462.406</b>	<b>211.866.802</b>	<b>267.248.607</b>

NOTE 14 – GENERAL ADMINISTRATIVE EXPENSES AND MARKETING SALES AND DISTRIBUTION EXPENSES

Expenses by nature

As of 30 September 2024 and 2023, the functional breakdown of marketing, sales and distribution expenses and general administrative expenses recognized under expenses by nature is as follows:

Marketing, sales and distribution expenses (-)

Account Name	01.01.2024	01.01.2023	01.07.2024	01.07.2023
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
<b>Marketing, sales and distribution expenses (-)</b>	<b>(324.417.675)</b>	<b>(280.411.967)</b>	<b>(91.859.603)</b>	<b>(95.066.338)</b>
Personnel Expenses	(107.264.040)	(111.200.631)	(40.389.535)	(36.119.368)
Sales Premium and Commissions	(88.599.980)	(34.411.916)	(18.258.648)	(6.973.736)
Outsourcing Expenses	(31.148.613)	(19.389.792)	(10.513.615)	(7.497.279)
Advertisement and Promotion Expenses	(18.323.034)	(28.184.272)	(5.500.199)	(9.592.283)
Royalty, Brand and Patent Licensing Fees and Charges	(17.350.880)	(17.063.559)	(10.738.922)	(8.953.966)
Transportation, Distribution and Storage Expenses	(15.364.315)	(11.188.929)	(4.740.310)	(2.448.228)
Rent and Subscription Expenses	(7.196.513)	(14.271.951)	(4.432.524)	(8.555.938)
Utility and Communication Expenses	(7.412.289)	(5.106.155)	(2.811.148)	(1.663.893)
Taxes, Duties and Charges	(5.905.755)	(1.079.803)	(5.132.230)	(186.153)
Depreciation and Amortisation Charges	(5.670.557)	(3.606.742)	20.848.981	(827.949)
Security Service Costs	(4.662.259)	(3.996.987)	(1.679.788)	(1.384.044)
Assembly and Project Management Costs	(4.446.979)	(4.854.985)	(3.085.684)	(1.447.255)
Travel and Accomodation Expenses	(2.780.747)	(1.751.832)	(1.116.174)	(954.088)
Maintenance and Repair Expenses	(2.736.543)	(2.594.676)	(1.597.357)	(1.262.677)
Insurance Expenses	(1.300.127)	(697.225)	(543.636)	(332.360)
Other	(4.255.044)	(21.012.512)	(2.168.812)	(6.867.121)

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

General Administrative Expenses (-)

Account Name	01.01.2024 30.09.2024	01.01.2023 30.09.2023	01.07.2024 30.09.2024	01.07.2023 30.09.2023
<b>General Administrative Expenses (-)</b>	<b>(94.832.791)</b>	<b>(91.708.130)</b>	<b>(40.122.264)</b>	<b>(26.177.377)</b>
Personnel Expenses	(42.771.678)	(30.204.260)	(15.382.452)	(7.899.932)
Consultancy and Project Management Fees and Charges	(14.483.981)	(18.411.245)	(9.013.911)	(5.518.985)
Travel and Accomodation Expenses	(11.417.327)	(5.197.176)	(5.307.141)	(3.630.174)
Depreciation and Amortisation Charges	(6.046.676)	(4.324.956)	(3.033.516)	(2.130.545)
Outsourcing Expenses	(4.262.459)	(15.153.251)	(836.467)	(297.113)
Taxes, Duties and Charges	(3.712.530)	(6.052.475)	(1.361.747)	(2.629.660)
Utility and Communication Expenses	(2.871.149)	(3.433.836)	(624.074)	(1.186.993)
Representation and Hospitality Expenses	(2.801.739)	(4.443.579)	(1.381.581)	(2.729.792)
Other	(6.465.249)	(4.487.354)	(3.181.375)	(154.182)

NOTE 15 – INCOME TAXES

The Group's tax expense (or income) consists of current period's corporate tax expense and deferred tax expense (or income). As of 30 September 2024 and 2023, the breakdown and detailed analysis of income taxes are as follows:

Account Name	01.01.2024 30.09.2024	01.01.2023 30.09.2023	01.07.2024 30.09.2024	01.07.2023 30.09.2023
Current period tax expense	(13.937.942)	(52.823.792)	(13.014.768)	(10.099.300)
Deferred income tax	32.855.625	(56.017.467)	(39.860.796)	(62.663.876)
<b>Total tax income/(expense)</b>	<b>18.917.683</b>	<b>(108.841.258)</b>	<b>(52.875.564)</b>	<b>(72.763.176)</b>

i) Corporate tax

Type	01.01.2024 30.09.2024	01.01.2023 31.12.2023
<b>Operating profit</b>	<b>73.978.289</b>	<b>377.100.700</b>
<b>Tax base additions</b>	<b>12.263.055</b>	<b>41.406.201</b>
Non-deductible expenses	12.263.055	41.406.201
<b>Tax allowances, exemptions and discounts from operating loss (-)</b>	<b>-</b>	<b>(243.561)</b>
Other allowances and exemptions	-	(243.561)
<b>Tax allowances, exemptions and discounts from operating profit (-)</b>	<b>(12.728.849)</b>	<b>(63.734.276)</b>
Grants and donations	(2.511.373)	(3.901.720)
Tax allowances and discounts from research and development and innovation expenditures	(10.217.475)	(8.761.080)
Interest deduction from cash capital increase	-	(51.071.477)
Other prior year's losses	-	(2.689.595)
<b>Operating profit, net</b>	<b>73.512.495</b>	<b>359.850.703</b>
<b>Operating loss, net</b>	<b>-</b>	<b>(5.321.639)</b>
Reduced corporate tax base (10.35%)	18.197.727	226.240.435
Tax base subject to corporate tax in accordance with CTL article numbered 32/8 (22%)	50.308.034	129.286.883
Tax base subject to corporate tax in accordance with CTL article numbered 32/7 (18%)	3.296.780	2.030.713
Tax calculated at domestic tax rate	1.709.954	2.292.672
<b>Current period tax expense</b>	<b>13.937.942</b>	<b>50.197.814</b>
<b>Total taxes to be offset (-)</b>	<b>(1.292.074)</b>	<b>(52.992.137)</b>
<b>Current income tax liabilities, net</b>	<b>12.645.868</b>	<b>-</b>

The Group operating in Türkiye, are subject to the tax legislation and practices in force in Türkiye. Therefore, provisions for taxes, as recognised in the accompanying interim condensed consolidated financial statements. Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as recognised in the interim condensed consolidated financial statements, have been calculated on a separate-entity basis.

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

The corporate tax to be accrued on the taxable income is calculated on the basis of the deduction of the expenses that cannot be deducted from the tax base expense in the determination of the earnings, and the amount of dividends received from domestic companies, taxable income and investment allowances.

The effective corporate tax rate applied in Türkiye in 2024 is 25% (2023: 25%).

The law numbered 7456, “Law on the Introduction of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes” as of February 6, 2023, and “Amendments to Certain Laws and Decree Law No. 375,” was published in the Official Gazette on July 15, 2023, numbered 32249. In accordance with the article 22 of the relevant law, an amendment has been realised to article 5 of the Corporate Tax Law, titled “Exemptions.” The 50% exemption rate applied to gains from the sale of real estate that has been classified in the assets of entities for two full years has been reduced to 25% for real estate sales gains realized after July 15, 2023.

In addition, with the amendment to Article 32 of the Corporate Tax Law, gains from production activities will be subject to a 1-point reduction in the tax rate, while gains from exports will benefit from a 5-point reduction in the applicable tax rates.

*ii) Deferred tax*

Koleksiyon Mobilya and its subsidiary recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS and the Turkish tax legislations. These differences usually due to the recognition of revenue and expenses in different reporting periods for the TFRS and tax purposes, the differences explained as below. Temporary differences arising from the differences between the years in the income and expenses recognised for accounting and tax purposes.

The tax rate of 25% has been used as the basis for calculating deferred tax assets and liabilities.

As of 30 September 2024 and 31 December 2023, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

Account Name	Cumulative temporary differences		Deferred tax assets / (liabilities)	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Doubtful receivables	2.604.116	1.547.531	651.029	386.883
Impairment on inventories & Adjustments for inflation	24.037.319	15.499.806	(6.009.330)	3.874.952
Provision for unused vacation	5.808.473	6.431.966	1.452.118	1.607.991
Provision for lawsuits	104.197.893	120.607.337	26.049.473	30.151.835
Provision for employment termination benefits	39.407.082	68.692.996	9.851.771	17.173.248
Property, plant and equipment and adjustments for inflation	1.483.867.369	2.147.670.064	(370.966.842)	(536.917.516)
Financial investments	39.865.539	-	2.491.596	-
Annual effective interest rate on borrowings	3.366.343	-	841.586	-
Other (Other liabilities, prepaid expenses, deferred income and other)	34.155.129	5.191.162	8.538.783	1.297.791
<b>Deferred tax liabilities, net</b>			<b>(327.099.816)</b>	<b>(482.424.816)</b>

Movements in deferred tax assets/(liabilities) are as follows:

Account Name	01.01.2024	01.01.2023
	30.09.2024	30.09.2023
Beginning of the period - 1 January	(482.424.816)	(394.221.872)
Deferred income tax during the period	32.855.625	(56.017.466)
Actuarial gains/losses	(4.866.668)	(2.154.067)
Adjustments for inflation	127.336.043	(24.273.444)
<b>End of the period – 30 September</b>	<b>(327.099.816)</b>	<b>(476.666.849)</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

iii) Tax advantages under the investment incentive program and system

The gains generated from the Group's investments under the incentive certificate are subject to reduced corporate tax rates starting from the period in which the investment is partially or fully operational, until the total contribution amount for the investment is determined. As of 30 September 2024, the Group has no tax advantage that the the Group is expected to benefit from in the foreseeable future.

NOTE 16 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 30 September 2024 and 2023, which is as follows:

Earnings per share	01.01.2024	01.01.2023	01.07.2024	01.07.2023
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit for the period attributable to equity holders of the parent	196.127.752	105.069.235	49.163.784	(173.860.891)
Weighted average number of shares	431.419.816	431.419.816	431.419.816	431.419.816
<b>Earnings per share</b>	<b>0.4546</b>	<b>0.2435</b>	<b>0.1140</b>	<b>(0.4030)</b>

NOTE 17 - RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

	30.09.2024		31.12.2023	
	Trade receivables	Other receivables	Trade receivables	Other receivables
<b>Due from related parties</b>				
Bakraz Turizm A.Ş.	38.096	-	51.757	-
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	656.794	-	509.005	-
Other	667.330	4.099.913	142.042	5.167.373
Malhan Design Gmbh	158.682	-	-	-
Koleksiyon San.ve U.arası Tic. Faruk Malhan ve Ort.	742.096	-	-	-
<b>Total</b>	<b>2.262.998</b>	<b>4.099.913</b>	<b>702.804</b>	<b>5.167.373</b>

  

	30.09.2024		31.12.2023	
	Trade payables	Other payables	Trade payables	Other payables
<b>Due to related parties</b>				
Other	3.036.228	-	-	10.696
<b>Total</b>	<b>3.036.228</b>	<b>-</b>	<b>-</b>	<b>10.696</b>

b) Related party transactions are as follows:

Purchases - 30.09.2024

Purchases	30.09.2024				
	Goods	Services	Rent	Other	Total
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	-	557.759	-	-	557.759
Other	-	-	-	14.196.636	14.196.636
<b>Total</b>	<b>-</b>	<b>557.759</b>	<b>-</b>	<b>14.196.636</b>	<b>14.754.395</b>

Purchases	30.09.2023				
	Goods	Services	Rent	Other	Total
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	31.493.685	-	-	216.980	31.710.665
Other	-	-	-	10.051.479	10.051.479
<b>Total</b>	<b>31.493.685</b>	<b>-</b>	<b>-</b>	<b>10.268.459</b>	<b>41.762.144</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Sales	30.09.2024				
	Goods	Services	Rent	Other	Total
Other	500.358	-	-	-	500.358
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	143.909	-	-	-	143.909
<b>Total</b>	<b>644.267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644.267</b>

Sales	30.09.2023				
	Goods	Services	Rent	Other	Total
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	5.854	-	105.292	457.574	568.720
Other	94.731	-	-	-	94.731
<b>Total</b>	<b>100.586</b>	<b>-</b>	<b>105.292</b>	<b>457.574</b>	<b>663.451</b>

c) Key management compensation

	01.01.2024	01.01.2023
	30.09.2024	30.09.2023
Key management personnel compensation	16.486.255	9.147.527
<b>Total</b>	<b>16.486.255</b>	<b>9.147.527</b>

NOTE 18 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial Instruments and Financial Risk Management

Financial Risk Management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk and price risk) and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also has financial instruments such as trade receivables and trade payables that arise directly from its operations.

The Group has financial instruments such as bank borrowings, cash on hand and short-term bank deposits which are applied on foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group management manages these risks as follows. The Group also monitors the market risk that may arise from the use of financial instruments.

Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD, EUR, GBP and other currencies. The Group's exposure to foreign exchange risk arises from its receivables, payables, bank borrowings and finance lease liabilities denominated in foreign currencies. In order to minimize this risk, the Group monitors its financial position and cash inflows/outflows with detailed statements of cash flows.

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

As of 30 September 2024 and 31 December 2023, foreign exchange position of the Group is as follows:

	<b>Foreign exchange position</b>			
		<b>30.09.2024</b>		
	<b>TL equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>
1. Trade Receivables	32.959.519	388.895	499.536	14.133
2a. Monetary Financial Assets	24.632.281	452.073	241.585	60
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
<b>4. Total Current Assets (1+2+3)</b>	<b>57.591.800</b>	<b>840.968</b>	<b>741.120</b>	<b>14.193</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Total Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>57.591.800</b>	<b>840.968</b>	<b>741.120</b>	<b>14.193</b>
10. Trade Payables	8.437.007	102.242	111.819	14.242
11. Financial Liabilities	30.389.080	-	793.498	-
12a. Other Monetary Liabilities	13.746.418	152.560	222.566	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Total Current Liabilities (10+11+12)</b>	<b>52.572.505</b>	<b>254.802</b>	<b>1.127.883</b>	<b>14.242</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	20.254.862	-	528.881	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Total Non-Current Liabilities (14+15+16)</b>	<b>20.254.862</b>	<b>-</b>	<b>528.881</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>72.827.367</b>	<b>254.802</b>	<b>1.656.764</b>	<b>14.242</b>
<b>19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Total Asset Amount of Hedged	-	-	-	-
19b. Total Liabilities Amount of Hedged	-	-	-	-
<b>20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)</b>	<b>(15.235.567)</b>	<b>586.167</b>	<b>(915.643)</b>	<b>(50)</b>
<b>21. Monetary Items Net Foreign Exchange Assets /(Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>(15.235.567)</b>	<b>586.167</b>	<b>(915.643)</b>	<b>(50)</b>
<b>22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Foreign Exchange Hedged Portion Amount of Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Foreign Exchange Hedged Portion Amount of Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>233.933.324</b>	<b>5.338.825</b>	<b>1.762.278</b>	<b>5.552</b>
<b>26. Import</b>	<b>53.868.970</b>	<b>130.630</b>	<b>1.290.497</b>	<b>108.560</b>

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

<b>Prior period - 31.12.2023</b>						
	<b>TL equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Other</b>	
1. Trade Receivables	71.608.713	343.933	1.242.331	31.433	9.850	
2a. Monetary Financial Assets	14.298.427	312.716	15.202	21.216	617	
2b. Non-Monetary Financial Assets	-	-	-	-	-	
3. Other	-	-	-	-	-	
<b>4. Total Current Assets (1+2+3)</b>	<b>85.907.139</b>	<b>656.649</b>	<b>1.257.533</b>	<b>52.649</b>	<b>10.467</b>	
5. Trade Receivables	-	-	-	-	-	
6a. -	-	-	-	-	--	
6b. -	-	-	-	-	--	
7. Other	-	-	-	-	-	
<b>8. Total Non-Current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>9. Total Assets (4+8)</b>	<b>85.907.139</b>	<b>656.649</b>	<b>1.257.533</b>	<b>52.649</b>	<b>10.467</b>	
10. Trade Payables	-	-	-	-	-	
11. Financial Liabilities	12.644.286	-	285.714	-	-	
12a. Other Monetary Liabilities	84.591.846	858.533	212.626	33.863	81.311.771	
12b. Other Non-Monetary Liabilities	-	-	-	-	-	
<b>13. Total Current Liabilities (10+11+12)</b>	<b>97.236.132</b>	<b>858.533</b>	<b>498.340</b>	<b>33.863</b>	<b>81.311.771</b>	
14. Trade Payables	-	-	-	-	-	
15. Financial Liabilities	-	-	-	-	-	
16a. Other Monetary Liabilities	-	-	-	-	-	
16b. Other Non-Monetary Liabilities	-	-	-	-	-	
<b>17. Total Non-Current Liabilities (14+15+16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>18. Total Liabilities (13+17)</b>	<b>97.236.132</b>	<b>858.533</b>	<b>498.340</b>	<b>33.863</b>	<b>81.311.771</b>	
<b>19. Off-Balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)</b>						
19a. Total Asset Amount of Hedged	--	-	-	-	-	
19b. Total Liabilities Amount of Hedged	--	-	-	-	-	
<b>20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)</b>	<b>(11.328.993)</b>	<b>(201.884)</b>	<b>759.193</b>	<b>18.786</b>	<b>81.301.304</b>	
<b>21. Monetary Items Net Foreign Exchange Assets/(Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>(11.328.993)</b>	<b>(201.884)</b>	<b>759.193</b>	<b>18.786</b>	<b>81.301.304</b>	

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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

The following table details the Group’s foreign currency sensitivity as at 30 September 2024 and 31 December 2023 for the changes at the rate of 10%:

<b>Foreign Exchange Sensitivity Analysis</b>		
<b>Current period - 30.09.2024</b>		
	<b>Appreciation of Foreign Currency</b>	<b>Profit/Loss Appreciation of Foreign Currency</b>
Change in USD against TL by 10%		
1- USD Net Asset/Liability	1.995.178	(1.995.178)
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>1.995.178</b>	<b>(1.995.178)</b>
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(3.518.026)	3.518.026
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>(3.518.026)</b>	<b>3.518.026</b>
Change in GBP against TL by 10%		
7- GBP Net Asset/Liability	(709)	709
8- Hedged portion of GBP Risk (-)	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(709)</b>	<b>709</b>
Change in Other currencies against TL by 10%		
10- Other Currencies Net Asset/Liability	-	-
11- Hedged portion of Other Currencies Risk (-)	-	-
<b>12- Other Currencies Net Effect (10+11)</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>(1.523.557)</b>	<b>1.523.557</b>

<b>Foreign Exchange Sensitivity Analysis</b>		
<b>Prior period - 31.12.2023</b>		
	<b>Appreciation of Foreign Currency</b>	<b>Profit/Loss Appreciation of Foreign Currency</b>
Change in USD against TL by 10%		
1- USD Net Asset/Liability	(807.430)	807.430
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>(807.430)</b>	<b>807.430</b>
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	3.359.813	(3.359.813)
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>3.359.813</b>	<b>(3.359.813)</b>
Change in Other currencies against TL by 10%		
7- Other Currencies Net Asset/Liability	(3.685.281)	3.685.281
8- Hedged portion of Other Currencies Risk (-)	-	-
<b>9- Other Currencies Net Effect (7+8)</b>	<b>(3.685.281)</b>	<b>3.685.281</b>
<b>TOTAL</b>	<b>(1.132.899)</b>	<b>1.132.899</b>

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Total credit risk is presented in the condensed statement of financial position.



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

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties.

As of 30 September 2024 and 31 December 2023, the exposure of consolidated financial assets to credit risk is as follows:

	Receivables					
	Trade Receivables		Other Receivables		Bank deposits	Cash and cash equivalents
	Related Party	Other	Related Party	Other		
<b>Current period - 30.09.2024</b>						
<b>Maximum exposure to credit risk as of the reporting date (A+B+C+D+E) (1)</b>	<b>2.262.998</b>	<b>133.962.062</b>	<b>4.099.913</b>	<b>15.650.273</b>	<b>48.061.613</b>	<b>48.073.300</b>
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	-	-	-	-	-
<b>A. Net book value of neither past due nor impaired financial assets (2)</b>	2.262.998	133.962.062	4.099.913	15.650.273	48.061.613	48.073.300
<b>B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets</b>	-	-	-	-	-	-
<b>C. Net book value of past due but not impaired financial assets (3)</b>	-	-	-	-	-	-
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	-	-	-	-	-
<b>D. Net book value of impaired assets</b>	-	-	-	-	-	-
- Past due (gross book value)	-	20.909.684	-	-	-	-
- Impairment (-)	-	(20.909.684)	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
<b>E. Off-balance sheet expected credit losses (-)</b>	-	-	-	-	-	-
	Receivables					
	Trade Receivables		Other Receivables		Bank deposits	Cash and cash equivalents
	Related Party	Other	Related Party	Other		
<b>Prior Period - 31.12.2023</b>						
<b>Maximum exposure to credit risk as of the reporting date (A+B+C+D+E) (1)</b>	<b>702.804</b>	<b>157.531.788</b>	<b>5.167.373</b>	<b>11.772.764</b>	<b>77.975.590</b>	<b>78.005.179</b>
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	-	-	-	-	-
<b>A. Net book value of neither past due nor impaired financial assets (2)</b>	702.804	157.531.788	5.167.373	11.772.764	77.975.590	78.005.179
<b>B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets</b>	-	-	-	-	-	-
<b>C. Net book value of past due but not impaired financial assets (3)</b>	-	-	-	-	-	-
- <i>Maximum risk, secured with guarantees and collaterals</i>	-	-	-	-	-	-
<b>D. Net book value of impaired assets</b>	-	-	-	-	-	-
- Past due (gross book value)	-	28.728.630	-	-	-	-
- Impairment (-)	-	(28.728.630)	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
<b>E. Off-balance sheet expected credit losses (-)</b>	-	-	-	-	-	-

**Liquidity risk**

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The prudent liquidity risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions. The maturity analysis of the non-derivative consolidated financial liabilities is

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

presented based on the period between balance sheet date and maturity date of these consolidated non-derivatives financial liabilities. The table below summarizes the maturity profile of the Group’s consolidated financial liabilities based on contractual undiscounted payments.

Undiscounted contractual cash flows of the non-derivative consolidated financial liabilities as of 30 September 2024 and 31 December 2023 are as follows:

<b>30.09.2024</b>						
	<b>Carrying value</b>	<b>Total cash outflows</b>	<b>Demand or up to 3 months</b>	<b>4-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>
Bank borrowings	243.467.121	302.969.664	94.171.069	128.971.147	76.838.982	2.988.466
Finance leases	28.789.098	32.235.782	3.445.752	9.875.845	18.914.184	-
Other	120.260.590	183.486.150	9.751.916	34.284.079	139.450.156	-
Trade payables	125.071.365	125.071.365	125.071.365	-	-	-
Other payables	40.242.509	40.242.509	40.242.509	-	-	-
<b>Total</b>	<b>557.830.683</b>	<b>684.005.470</b>	<b>272.682.611</b>	<b>173.131.071</b>	<b>235.203.322</b>	<b>2.988.466</b>

  

<b>31.12.2023</b>					
	<b>Carrying value</b>	<b>Total cash outflows</b>	<b>Demand or up to 3 months</b>	<b>4-12 months</b>	<b>1-5 years</b>
Bank borrowings	421.945.792	539.197.053	35.382.883	287.262.203	206.046.897
Trade payables	121.709.817	121.709.817	121.709.817	-	-
Other payables	40.603.659	40.603.659	40.603.659	-	-
<b>Total</b>	<b>584.259.267</b>	<b>701.510.529</b>	<b>197.696.358</b>	<b>287.262.203</b>	<b>206.046.897</b>

**Interest rate risk**

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest and short-long term nature of borrowings. In order to adverse the effects of interest rate risk, the Group uses bank borrowings at the most favorable conditions.

**Price risk**

Price risk include foreign exchange risk, interest rate and market risk. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest. Market risk have been determined by the Group by using available market information and appropriate valuation methodologies.

**Capital risk management**

The Group’s main objectives for capital management are to keep the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group consists of cash and cash equivalents and equity items containing respectively issued capital, capital reserves, profit reserves and profits of previous years.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

General strategy based on the Group’s equity does not differ from the prior period.

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Net financial debt/invested capital ratio as of 30 September 2024 and 31 December 2023 are as follows:

	<b>30.09.2024</b>	<b>31.12.2023</b>
Total borrowings	1.253.819.566	1.490.758.806
Less: Cash and cash equivalents	48.073.300	78.005.179
Net financial debt	1.205.746.266	1.412.753.627
Equity	1.856.854.348	1.647.245.401
Invested capital	3.062.600.614	3.059.999.028
<b>Net financial debt/invested capital ratio</b>	<b>0.3937</b>	<b>0.4617</b>

**Fair value of financial instruments**

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. Foreign currency denominated assets and liabilities are translated at the exchange rates effective as of the date of the interim condensed consolidated financial statements.

The following methods and assumptions are used to estimate the fair values of financial instruments:

**Financial assets**

Carrying values of significant portion of cash and cash equivalents, accrued interests and other financial assets are considered to approximate to their fair values due to their short-term nature and insignificant credit risk. The carrying values of receivables estimated that are considered to approximate to their fair value less provision for doubtful receivables in the accompanying financial statements.

**Financial liabilities**

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are carried with discounted cost and transaction costs are added to the initial cost of the borrowing. The fair values of the borrowings after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

NOTE 19 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

30.09.2024	Notes	Other financial assets at amortised cost	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Other financial liabilities at amortised cost	Carrying value	Fair value
<b>Financial assets</b>		<b>48.073.300</b>	<b>136.225.060</b>	-	<b>301.674</b>	-	<b>184.600.034</b>	<b>184.600.034</b>
Cash and cash equivalents	3	48.073.300	-	-	-	-	48.073.300	48.073.300
Trade receivables	5	-	136.225.060	-	-	-	136.225.060	136.225.060
Financial investments		-	-	-	301.674	-	301.674	301.674
<b>Financial liabilities</b>		-	<b>545.054.600</b>	-	-	-	<b>545.054.600</b>	<b>545.054.600</b>
Borrowings	4	-	419.983.235	-	-	-	419.983.235	419.983.235
Trade payables	5	-	125.071.365	-	-	-	125.071.365	125.071.365
Other financial liabilities		-	-	-	-	-	-	-
<b>31.12.2023</b>	<b>Notes</b>	<b>Other financial assets at amortised cost</b>	<b>Loans and receivables</b>	<b>Financial assets available for sale</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Other financial liabilities at amortised cost</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Financial assets</b>		<b>78.005.179</b>	<b>158.234.592</b>	-	<b>449.582</b>	-	<b>236.689.353</b>	<b>236.689.353</b>
Cash and cash equivalents	3	78.005.179	-	-	-	-	78.005.179	78.005.179
Trade receivables	5	-	158.234.592	-	-	-	158.234.592	158.234.592
Financial investments		-	-	-	449.582	-	449.582	449.582
<b>Financial liabilities</b>		-	<b>554.734.470</b>	-	-	-	<b>554.734.470</b>	<b>554.734.470</b>
Borrowings	4	-	433.024.654	-	-	-	433.024.654	433.024.654
Trade payables	5	-	121.709.816	-	-	-	121.709.816	121.709.816
Other financial liabilities		-	-	-	-	-	-	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 30 September 2024 unless otherwise indicated.)

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

**Financial assets**

Carrying values of cash and cash equivalents, financial assets carried at cost and other financial assets are approximate to their fair values due to their short-term nature and insignificant credit risk.

**NOTE 20 - EVENTS AFTER THE REPORTING PERIOD**

None.