

**KOLEKSİYON MOBİLYA SANAYİ
ANONİM ŞİRKETİ**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD 1 JANUARY - 30 JUNE 2024 TOGETHER WITH AUDITOR'S REVIEW REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE AUDITOR'S REVIEW
REPORT AND 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 JUNE 2024**

CONTENTS

INDEX

AUDITOR'S REVIEW REPORT

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.....	8-34



**CONVENIENCE TRANSLATION INTO ENGLISH OF AUDITOR'S REVIEW REPORT ORIGINALLY
ISSUED IN TURKISH****REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION****To the General Assembly of Koleksiyon Mobilya Sanayi Anonim Şirketi****Introduction**

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

Scope of Review

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

Other Matter

The Group's consolidated financial statements as of and for the year ended 31 December 2023, prepared in accordance with Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), were audited by another audit firm, which expressed an unqualified opinion on 20 May 2024. Furthermore, the interim condensed consolidated financial statements as of 30 June 2023, prepared in accordance with TAS 34 and not reflecting the adjustments related to TAS 29 "Financial Reporting in Hyperinflationary Economies" as disclosed in Note 2.01, were subject to a review by the same audit firm. In accordance with the relevant report on 18 August 2023, the audit firm indicated that nothing had come to their attention that cause to believe the interim condensed consolidated financial statements were not prepared in accordance with TAS 34.



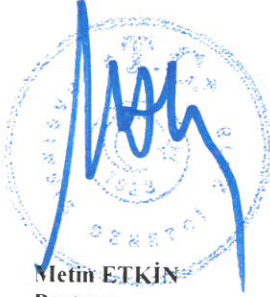
www.gureli.com.tr

Merkez Ofisi
Spine Tower Maslak Mah. Saat Sok.
No: 5 Kat: 25-26-28
Sarıyer 34485 - İstanbul
T : 444 9 475 (212) 285 01 50
F : +90 (212) 285 03 40-43
gym@gureli.com.tr**Ankara Ofisi**
ASO Kule Atatürk Bulvarı
No: 193 Kat: 9
Kavaklıdere 06680 - Ankara
T : +90 (312) 466 84 20
F : +90 (312) 466 84 21
gymankara@gureli.com.tr**Antalya Ofisi**
Fener Mah.1964 Sok. No: 36
Kemal Erdoğan Apt. Kat: 1 D: 4
Muratpaşa 07160 - Antalya
T : +90 (242) 324 30 14
F : +90 (242) 324 30 15
gymantalya@gureli.com.tr**Bursa Ofisi**
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat: 7 D: 31
Nilüfer 16265 - Bursa
T : +90 (224) 451 27 10
F : +90 (224) 451 27 79
gymbursa@gureli.com.tr**İzmir Ofisi**
Atatürk Cad. Ekim Apt.
No: 174/1 Kat: 5 D: 9
Alsancak 35220 - İzmir
T : +90 (232) 421 21 34
F : +90 (232) 421 21 87
gymizmir@gureli.com.tr**Trakya Ofisi**
Yavuz Mah. Ferman Sok.
No: 3/7 Kat: 2
Süleymanpaşa 59100 - Tekirdağ
T : +90 (282) 261 25 30
F : +90 (282) 261 62 56
gymtrakya@gureli.com.tr

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the condensed consolidated financial position of Koleksiyon Mobilya Sanayi Anonim Şirketi (the "Company" or "Koleksiyon Mobilya") and its subsidiary (the "Group") as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with TAS 34.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



Metin ETKİN
Partner

İstanbul, 26 September 2024

www.gureli.com.tr

Merkez Ofisi
Spine Tower Maslak Mah. Saat Sok.
No: 5 Kat: 25-26-28
Sarıyer 34485 - İstanbul
T : 444 9 475 (212) 285 01 50
F : +90 (212) 285 03 40-43
gym@gureli.com.tr

Ankara Ofisi
ASO Kule Atatürk Bulvarı
No: 193 Kat: 9
Kavaklıdere 06680 - Ankara
T : +90 (312) 466 84 20
F : +90 (312) 466 84 21
gymankara@gureli.com.tr

Antalya Ofisi
Fener Mah.1964 Sok. No: 36
Kemal Erdoğan Apt. Kat: 1 D: 4
Muratpaşa 07160 - Antalya
T : +90 (242) 324 30 14
F : +90 (242) 324 30 15
gymantalya@gureli.com.tr

Bursa Ofisi
Odunluk Mah. Akademi Cad.
Zeno İş Merkezi D Blok Kat: 7 D: 31
Nilüfer 16265 - Bursa
T : +90 (224) 451 27 10
F : +90 (224) 451 27 79
gymbursa@gureli.com.tr

İzmir Ofisi
Atatürk Cad. Ekim Apt.
No: 174/1 Kat: 5 D: 9
Alsancak 35220 - İzmir
T : +90 (232) 421 21 34
F : +90 (232) 421 21 87
gymizmir@gureli.com.tr

Trakya Ofisi
Yavuz Mah. Ferman Sok.
No: 3/7 Kat: 2
Süleymanpaşa 59100 - Tekirdağ
T : +90 (282) 261 25 30
F : +90 (282) 261 62 56
gymtrakya@gureli.com.tr

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 JUNE 2024 AND 31 DECEMBER 2023

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

	Notes	Reviewed Current Period 30.06.2024	Audited Prior Period 31.12.2023
Current Assets		661.628.822	736.818.815
Cash and Cash Equivalents	3	32.966.409	71.617.250
Financial Investments		11.928.218	412.765
Trade Receivables	5	119.982.802	145.276.589
<i>Third Parties</i>	5	118.739.867	144.631.338
<i>Related Parties</i>	5-17	1.242.935	645.251
Other Receivables		16.480.550	14.131.831
<i>Third Parties</i>		12.996.371	9.387.620
<i>Related Parties</i>		3.484.179	4.744.211
Inventories	6	442.298.328	425.371.666
Prepaid Expenses	7	27.904.872	59.697.334
Other Current Assets	11	10.067.643	20.311.380
Total		661.628.822	736.818.815
Non-Current Assets		2.278.151.771	2.144.210.801
Trade Receivables	5	-	-
<i>Third Parties</i>	5	-	-
<i>Related Parties</i>	5-17	-	-
Other Receivables		1.104.143	1.421.060
<i>Third Parties</i>		1.104.143	1.421.060
<i>Related Parties</i>		-	-
Financial Investments		302.106	-
Investment Properties	8	646.869.880	646.869.880
Property, Plant and Equipment	9	1.610.913.395	1.363.650.492
Intangible Assets		18.304.481	35.615.883
Prepaid Expenses	7	657.766	96.653.486
TOTAL ASSETS		2.939.780.593	2.881.029.616

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 JUNE 2024 AND 31 DECEMBER 2023

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

	Notes	Reviewed Current Period 30.06.2024	Audited Prior Period 31.12.2023
Current Liabilities		760.686.963	701.796.547
Short-Term Borrowings	4	206.191.741	111.397.302
Short-Term Portion of Long-Term Borrowings	4	69.013.126	125.270.273
Trade Payables	5	103.164.386	111.742.867
<i>Third Parties</i>	5	102.268.049	111.742.867
<i>Related Parties</i>	5-17	896.337	-
Employee Benefits		26.538.533	34.488.821
Other Payables		9.933.157	2.789.760
<i>Third Parties</i>		9.925.284	2.779.940
<i>Related Parties</i>		7.873	9.820
Deferred Income	7	242.661.190	196.103.773
Current Income Tax Liabilities		605.219	-
Short-Term Provisions	10	102.579.611	116.635.917
<i>Other Short-Term Provisions</i>	10	96.359.459	110.730.672
<i>Short-Term Provisions for Employee Benefits</i>	10	6.220.152	5.905.245
Other Current Liabilities		-	3.367.834
Total		760.686.963	701.796.547
Non-Current Liabilities		512.681.879	666.882.390
Long-Term Borrowings	4	176.696.931	160.896.218
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	40.712.494	63.067.651
<i>Long-Term Provisions for Employee Benefits</i>	10	40.712.494	63.067.651
Deferred Tax Liabilities	15	285.084.954	442.918.521
EQUITY		1.666.411.751	1.512.350.679
Paid-in Share Capital	12	431.419.816	431.419.816
Adjustment to Share Capital	12	1.693.467.297	1.693.467.297
Share Premium	12	71.981.628	71.981.628
Treasury Shares (-)	12	(33.588.544)	(32.547.843)
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss	12	(22.268.061)	(30.405.866)
Restricted Reserves	12	72.928.904	72.928.904
Retained Earnings	12	(694.493.257)	(720.088.434)
Profit for the Period	12	146.963.968	25.595.177
TOTAL LIABILITIES AND EQUITY		2.939.780.593	2.881.029.616

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 JUNE 2024 AND 2023

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

		Reviewed Current Period	Reviewed Prior Period	Unreviewed Current Period	Unreviewed Prior Period
	Notes	01.01.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2024 30.06.2024	01.04.2023 30.06.2023
Revenue	13	588.703.934	909.152.372	343.035.811	513.640.409
Cost of Sales (-)	13	(300.755.263)	(408.938.573)	(181.878.495)	(254.233.630)
GROSS PROFIT		287.948.671	500.213.799	161.157.316	259.406.779
Marketing, Sales and Distribution Expenses (-)	14	(232.558.072)	(185.345.629)	(129.486.253)	(110.352.947)
General Administrative Expenses (-)	14	(54.710.527)	(65.530.753)	(32.401.987)	(38.256.107)
Research and Development Expenses (-)		(15.280.719)	(11.126.287)	(12.745.619)	(5.639.319)
Other Operating Income		17.559.091	24.931.375	13.088.023	19.439.123
Other Operating Expenses (-)		(35.338.667)	(24.413.221)	(14.864.308)	(18.174.053)
OPERATING PROFIT		(32.380.223)	238.729.284	(15.252.828)	106.423.476
Gains from Investment Activities		1.426.151	2.811.517	1.426.141	2.775.220
Losses from Investment Activities (-)		(912.270)	-	(912.270)	-
Operating profit before financial income/(expense)		(31.866.342)	241.540.801	(14.738.957)	109.198.696
Financial Income		8.809.050	13.562.230	4.488.850	10.136.451
Financial Expenses (-)		(94.873.078)	(60.682.404)	(42.620.118)	(41.267.858)
Net Monetary Position Gains (Losses)		193.101.091	120.587.580	109.635.080	12.018.322
PROFIT BEFORE TAX		75.170.721	315.008.207	56.764.855	90.085.611
Tax income/(expense)	15	71.793.247	(36.078.083)	11.307.501	9.446.211
- Current period tax expense	15	(923.174)	(42.724.492)	(923.174)	3.962.683
- Deferred income tax	15	72.716.421	6.646.409	12.230.675	5.483.528
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		146.963.968	278.930.124	68.072.356	99.531.822
PROFIT FOR THE PERIOD		146.963.968	278.930.124	68.072.356	99.531.822
Attributable to		146.963.968	278.930.124	68.072.356	99.531.822
Non-Controlling Interests		-	-	-	-
Equity Holders of the Parent		146.963.968	278.930.124	68.072.356	99.531.822
Earnings per share	16	0,3407	0,6465	0,1578	0,2307

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 JUNE 2024 AND 2023

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

	Reviewed Current Period	Reviewed Prior Period	Unreviewed Current Period	Unreviewed Prior Period
Notes	01.01.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2024 30.06.2024	01.04.2023 30.06.2023
PROFIT FOR THE PERIOD	146.963.968	278.930.124	68.072.356	99.531.822
Items not to be reclassified to profit or loss	8.137.805	-	145.946	-
Property, plant and equipment revaluation surplus	-	-	-	-
Intangible assets revaluation surplus	-	-	-	-
Gains (losses) on remeasurements of defined benefit plans	10.850.407	-	194.595	-
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	(2.712.602)	-	(48.649)	-
- Revaluation of deferred income tax, net	-	-	-	-
- Gains (losses) on remeasurements of defined benefit plans, deferred tax effect	(2.712.602)	-	(48.649)	-
Items to be reclassified to profit or loss	-	-	-	-
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	-	-	-	-
OTHER COMPREHENSIVE INCOME	8.137.805	-	145.946	-
TOTAL COMPREHENSIVE INCOME	155.101.773	278.930.124	68.218.302	99.531.822
Attributable to	155.101.773	278.930.124	68.218.302	99.531.822
Non-Controlling Interests	-	-	-	-
Equity Holders of the Parent	155.101.773	278.930.124	68.218.302	99.531.822

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 JUNE 2024

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

Reviewed Current Period	Notes	Paid-in share capital	Adjustment to share capital	Treasury shares (-)	Share premium	Property, plant and equipment revaluation surplus	Items not to be reclassified to profit or loss			Items to be reclassified to profit or loss	Equity holders of the parent	Non-controlling interests	Total equity
							Gains/(losses)	remeasurements of defined benefit plans	Currency translation differences				
Balances at 1 January 2024 (Beginning of the Period)	12	431.419,816	1.693.467,297	(32.547,843)	71.981,628	-	(30.405,866)	-	72.928,904	(720.088,434)	25.595,177	1.512.350,679	1.512.350,679
Transfers													
Gains/(losses) on share-based transactions	12	-	-	(1.040,701)	-	-	-	-	-	25.595,177	(25.595,177)	(1.040,701)	(1.040,701)
Total comprehensive income	12	-	-	-	-	-	8.137,805	-	-	-	146.963,968	155.101,773	155.101,773
- Other comprehensive income	12	-	-	-	-	-	8.137,805	-	-	-	-	8.137,805	8.137,805
- Profit for the period	12	-	-	-	-	-	-	-	-	-	146.963,968	146.963,968	146.963,968
Balances at 30 June 2024 (End of the Period)	12	431.419,816	1.693.467,297	(33.588,544)	71.981,628	-	(22.268,061)	-	72.928,904	(694.493,257)	146.963,968	1.666.411,751	1.666.411,751

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 JUNE 2023

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

Reviewed 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	Retained earnings	Profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
						Property, plant and equipment revaluation surplus	Gains/(losses) on re-measurements of defined benefit plans						
Balances at 1 January 2023 (Beginning of the Period)	12	431,419,816	1,693,467,297	-	71,981,627	-	(20,385,965)	-	65,033,889	(341,806,351)	1,553,994,119	-	1,553,994,119
Transfers	12	-	-	-	-	-	-	-	8,419,948	(341,806,351)	-	-	-
Gains/(losses) on share-based transactions	12	-	-	(30,376,813)	-	-	-	-	(530,226,299)	-	(30,376,813)	-	(30,376,813)
Dividends paid	12	-	-	-	-	-	-	-	(29,549,302)	-	(29,549,302)	-	(29,549,302)
Total comprehensive income	12	-	-	-	-	-	-	-	-	278,930,124	278,930,124	-	278,930,124
- Other comprehensive income	12	-	-	-	-	-	-	-	-	-	-	-	-
- Profit for the period	12	-	-	-	-	-	-	-	-	278,930,124	278,930,124	-	278,930,124
Balances at 30 June 2023 (End of the Period)		431,419,816	1,693,467,297	(30,376,813)	71,981,627	-	(20,385,965)	-	73,453,837	278,930,124	1,772,998,128	-	1,772,998,128

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

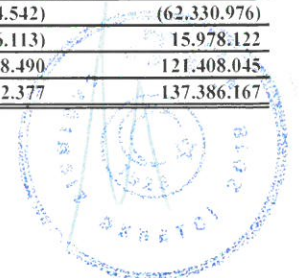


CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
KOLEKSİYON MOBİLYA SANAYİ ANONİM ŞİRKETİ
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2024 AND 2023

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

	Reviewed Current	Reviewed Prior
	Period	Period
	01.01.2024	01.01.2023
Notes	30.06.2024	30.06.2023
A) CASH FLOWS FROM OPERATING ACTIVITIES	309.105.297	49.315.269
Profit for the Period	146.963.968	278.930.124
Profit for the Period from Continuing Operations	146.963.968	278.930.124
Adjustments to reconcile profit for the period to cash generated from operating activities	54.654.377	(35.730.860)
-Depreciation and amortisation	75.911.623	37.774.033
Adjustments for Impairment Loss (Reversal)	318.445	2.490.469
<i>Adjustments for Inventory Impairment (Reversal)</i>	<i>318.445</i>	<i>2.490.469</i>
Adjustments for Provisions	4.661.157	66.468.576
<i>Adjustments for Provision for Employee Benefits (Reversal)</i>	<i>(1.711.178)</i>	<i>45.940.910</i>
<i>Adjustments for Provision for Litigations or Lawsuits, Penalties (Reversal)</i>	<i>7.586.431</i>	<i>1.613.427</i>
<i>Adjustments for Other Provisions</i>	<i>(1.214.096)</i>	<i>18.914.239</i>
Adjustments for interest income and expenses	82.577.007	49.395.653
<i>Interest income</i>	<i>(6.612.718)</i>	<i>(11.286.751)</i>
<i>Interest expenses</i>	<i>89.189.725</i>	<i>60.682.404</i>
Adjustments for losses/(gains) on disposal of non-current assets	795.754	(2.811.517)
Adjustments for tax income/expense	(71.793.247)	36.078.082
Net monetary position gains/losses	(37.816.362)	(225.126.156)
Changes in Working Capital	192.922.053	(90.007.160)
Adjustments for Gains/(Losses) on Trade Receivables	(3.514.235)	(173.738.629)
<i>Third Parties</i>	<i>(2.788.599)</i>	<i>(174.873.075)</i>
<i>Related Parties</i>	<i>(725.636)</i>	<i>1.134.446</i>
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	(5.115.905)	(1.856.737)
<i>Third Parties</i>	<i>(5.435.171)</i>	<i>(2.023.820)</i>
<i>Related Parties</i>	<i>319.266</i>	<i>167.083</i>
Adjustments for gains/(losses) on Inventories	(17.245.107)	31.957.835
Adjustments for gains/(losses) on Trade Payables	13.579.879	24.697.363
<i>Third Parties</i>	<i>12.683.542</i>	<i>26.091.279</i>
<i>Related Parties</i>	<i>896.337</i>	<i>(1.393.916)</i>
Adjustments for Gains/(Losses) on Other Payables Related to Operations	7.696.600	13.240.268
<i>Third Parties</i>	<i>7.696.600</i>	<i>18.764.001</i>
<i>Related Parties</i>	<i>-</i>	<i>(5.523.733)</i>
Adjustments for gains/(losses) on payables due to employee benefits	(1.111.232)	22.839.112
Changes in Prepaid Expenses	96.784.166	(100.618.876)
Other adjustments for increase/(decrease) in other working capital	6.216.036	(15.456.651)
<i>Gains/(Losses) on Other Assets from Operations</i>	<i>6.216.036</i>	<i>(15.456.651)</i>
Changes in Deferred Income	95.631.852	108.929.161
Other Changes in Working Capital	(1)	(6)
Cash Flows from Operating Activities	394.540.398	153.192.104
Income Taxes Refund Paid	(85.435.101)	(103.876.835)
Cash Flows from Operating Activities	309.105.297	49.315.269
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in Financial Investments	(11.817.559)	-
Cash outflows from purchase of property, plant and equipment and intangible assets	(309.572.452)	(67.221.649)
Cash inflows from sale of property, plant and equipment and intangible assets	2.913.574	-
Cash flows from investing activities	(318.476.437)	(67.221.649)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Cash outflows from treasury shares	(1.040.701)	(30.376.813)
Cash inflows from borrowings	107.875.856	285.208.016
Changes in blocked deposits	2.527.732	(7.172.744)
Dividends paid	-	(14.377.206)
Interest received	6.612.718	11.286.751
Interest paid	(89.189.725)	(60.682.404)
Cash inflows from lease liabilities	25.298.157	8.685.145
Monetary gains/losses	(64.634.468)	(96.355.267)
Cash flows from financing activities	(12.550.431)	96.215.478
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	(21.921.571)	78.309.098
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
Monetary loss on cash and cash equivalents	(13.414.542)	(62.330.976)
Net Increase/(Decrease) in Cash and Cash Equivalents	(35.336.113)	15.978.122
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	67.648.490	121.408.045
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	32.312.377	137.386.167

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 JUNE 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 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 June 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 June 2024	31 December 2023
			Effective ownership interest held by Koleksiyon Mobilya (%)	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 interim period 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 480 (31 December 2023: 499).

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

Shareholders	30 June 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
Total paid-in share capital	100.00	431.419.816	100.00	431.419.816
Adjustment to share capital		1.693.467.297		1.693.467.297
Total share capital		2.124.887.113		2.124.887.113



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 JUNE 2024

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

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

2.01 Basis of presentation

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 June 2024 have been approved for issue by the Board of Directors ("BOD") on 26 September 2024. These consolidated financial statements will be finalised following the approval by the General Assembly.

Going concern

As of 30 June 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



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 JUNE 2024

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

December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards 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 June 2023, on the purchasing power basis on 30 June 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 June 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

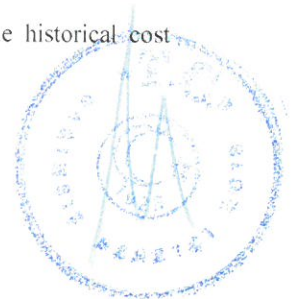
Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
30 June 2024	2.319,29	1.00000	324%
31 December 2023	1.859,38	1.24735	268%
30 June 2023	1.351,59	1.71597	190%

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

- Current period 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 first reflected in 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.



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 JUNE 2024

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

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.

2.02 New and Revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

Standards, amendments, and interpretations applicable as of 30 June 2024:

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 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.

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.

Standards, amendments, and interpretations that are issued but not effective as of 30 June 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 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



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 JUNE 2024

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

rights and obligations. These amendments have no material influence on the Group's interim condensed consolidated financial statements.

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:

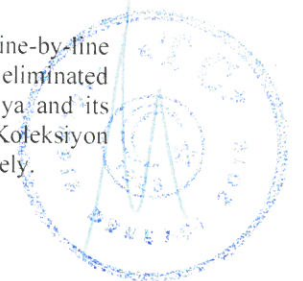
- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with TFRS Accounting Standards.

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.



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 JUNE 2024

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

As of 30 June 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:

Subsidiary	30.06.2024	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 June 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 June 2024 on a comparative basis with the consolidated financial statements for the period 1 January- 30 June 2023.

2.06 Summary of significant accounting policies

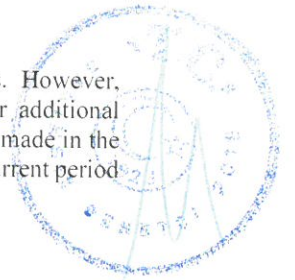
The significant accounting policies used in the preparation of the Group's condensed consolidated financial statements for the six-month interim period ended on 30 June 2024 are applied consistently to the accounting policies disclosed in detail in the consolidated financial statements as of and for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



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 JUNE 2024

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

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

Account Name	30.06.2024	31.12.2023
Cash on hand	9.766	27.166
Banks	32.956.643	71.590.084
- Demand deposit - TL	624.966	20.241.117
- Demand deposit - EUR	2.632.490	601.893
- Demand deposit - GBP	3.424	990.828
- Demand deposit - USD	2.402.522	11.482.802
- Demand deposit - KWD	-	36.050
- Time deposit - TL (*)	26.639.209	34.268.634
- Blocked deposit	654.032	3.968.760
Cash and cash equivalents, net	32.966.409	71.617.250

(*) The annual effective interest rate on time deposits is 51% (31 December 2023: 36%).

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

	30.06.2024	31.12.2023
Cash and cash equivalents	32.966.409	71.617.250
Blocked deposit (-)	(654.032)	(3.968.760)
Total	32.312.377	67.648.490

The maturity analysis of time deposits is as follows:

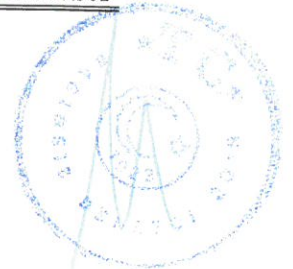
Maturity schedule	30.06.2024	31.12.2023
1-30 days	26.639.209	34.268.634
Total	26.639.209	34.268.634

NOTE 4 - BORROWINGS

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

Short-term borrowings

Account Name	30.06.2024	31.12.2023
Bank borrowings	147.291.150	105.997.455
Finance lease liabilities	11.790.276	-
Lease liabilities	10.705.115	1.111.859
Other	36.405.200	4.287.987
Short-term borrowings, net	206.191.741	111.397.302



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 JUNE 2024

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

Short-term portion of long-term borrowings

Account Name	30.06.2024	31.12.2023
Principal and interest installments of long-term borrowings	69.013.126	125.270.273
Short-term portion of long-term borrowings, net	69.013.126	125.270.273

Long-term borrowings

Account Name	30.06.2024	31.12.2023
Bank borrowings	55.364.117	156.124.463
Finance lease liabilities	16.848.612	-
Lease liabilities	19.309.949	4.771.755
Other	85.174.253	-
Long-term borrowings, net	176.696.931	160.896.218

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

Maturity schedule	30.06.2024	31.12.2023
0-3 months	77.220.921	30.972.911
4-12 months	150.873.631	200.294.818
13-60 months	68.574.219	156.124.462
60 months and over	3.638.511	-
Total	300.307.282	387.392.191

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

30.06.2024

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Borrowings - TL	-	259.839.334	9-82
Finance leases - TL	-	422.004	84
Borrowings - EUR	335.629	11.829.060	7-8
Finance leases - EUR	800.604	28.216.884	10-11
Total		300.307.282	

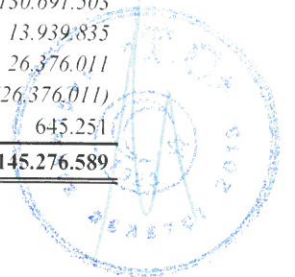
31.12.2023

Type	Original currency amount	TL equivalent	Annual effective interest rate (%)
Borrowings - TL	-	375.783.359	33-52
Borrowings - EUR	285.714	11.608.832	9-10
Total		387.392.191	

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

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

Account Name	30.06.2024	31.12.2023
Trade receivables from third parties	118.739.867	144.631.338
-Customers	107.212.525	130.691.503
-Notes receivables	11.527.342	13.939.835
- Doubtful trade receivables	20.828.639	26.376.011
- Provision for doubtful trade receivables (-)	(20.828.639)	(26.376.011)
Trade receivables from related parties	1.242.935	645.251
Short-term trade receivables, net	119.982.802	145.276.589



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 JUNE 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 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
	30.06.2024	30.06.2023
Beginning of the period – 1 January	26.376.011	35.356.903
Additions (+)	-	1.278.082
Collections (-)	(5.547.372)	-
End of the period – 30 June	20.828.639	36.634.985

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

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

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

Account Name	30.06.2024	31.12.2023
Trade payables to third parties	102.268.049	111.742.867
-Suppliers	102.203.711	111.742.867
- Other	64.338	-
Trade payables to related parties	896.337	-
Short-term trade payables, net	103.164.386	111.742.867

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

NOTE 6 – INVENTORIES

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

Account Name	30.06.2024	31.12.2023
Raw materials and supplies	115.839.631	130.217.260
Semi-finished goods	51.672.906	47.296.097
Goods	188.984.817	170.122.247
Merchandise	96.006.482	87.391.815
Other inventories	104.517	335.828
Less: Provision for impairment	(10.310.025)	(9.991.580)
Total	442.298.328	425.371.666

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

	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Beginning of the period – 1 January	9.991.580	5.831.484
Additions (+)	318.445	3.643.586
End of the period – 30 June	10.310.025	9.475.070



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 JUNE 2024

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

NOTE 7 - PREPAID EXPENSES AND DEFERRED INCOME

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

Account Name	30.06.2024	31.12.2023
Short-term prepaid expenses	4.802.294	19.586.470
Advances given	23.102.578	40.110.864
Short-term prepaid expenses, net	27.904.872	59.697.334

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

Account Name	30.06.2024	31.12.2023
Long-term prepaid expenses	657.766	66.259
Advances given for non-current assets	-	96.587.227
Long-term prepaid expenses, net	657.766	96.653.486

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

Account Name	30.06.2024	31.12.2023
Short-term deferred income	92.432.498	47.780.366
Advances received	150.228.692	148.323.407
Short-term deferred income, net	242.661.190	196.103.773

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

Account Name	30.06.2024	31.12.2023
Long-term deferred income	10.187.500	-
Long-term deferred income, net	10.187.500	-

NOTE 8 - INVESTMENT PROPERTIES

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

30.06.2024

Cost

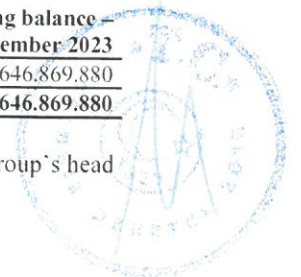
Account Name	Opening balance – 1 January 2024	Additions	Disposals (-)	Revaluation surplus	Closing balance – 30 June 2024
Land	646.869.880	-	-	-	646.869.880
Total	646.869.880	-	-	-	646.869.880

31.12.2023

Cost

Account Name	Opening balance – 1 January 2023	Additions	Disposals (-)	Revaluation surplus	Closing balance – 31 December 2023
Land	847.848.260	-	-	(200.978.380)	646.869.880
Total	847.848.260	-	-	(200.978.380)	646.869.880

The Group conducts its operations on 15,226 m² of its total 37,287 m² land in Sarıyer, where the Group's head office is also located in Sarıyer. The remaining 22,061 m² is designated as a green area.



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 JUNE 2024

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

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 m² "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 June 2024 and 31 December 2023, the movements for property, plant and equipment, and related depreciation are as follows:

Cost	Opening balance – 1 January 2024	Additions	Disposals (-)	Revaluation surplus	Closing balance – 30 June 2024
Land	597.735.945	213.661.845	-	-	811.397.790
Land improvements	532.265	-	-	-	532.265
Buildings	265.785.056	5.889.513	-	-	271.674.569
Plant, machinery and equipment	488.315.940	4.019.176	(1.462.938)	-	490.872.178
Motor vehicles	46.160.580	10.572.887	-	-	56.733.467
Furniture and fixtures	214.273.400	2.112.321	(83.323)	-	216.302.398
Other property, plant and equipment	130.903.112	334.410	-	-	131.237.522
Leasehold improvements	267.853.496	3.175.220	-	-	271.028.716
Property, plant and equipment acquired through finance leases	-	32.270.457	-	-	32.270.457
Right of use assets	8.352.111	34.616.951	(8.352.111)	-	34.616.951
Constructions in progress	879.813	1.857.521	-	-	2.737.334
Total	2.020.791.718	308.510.301	(9.898.372)	-	2.319.403.647

Accumulated depreciation (-)

	Opening balance – 1 January 2024	Current period depreciation	Disposals (-)	Revaluation surplus	Closing balance – 30 June 2024
Land improvements	(182)	(33.175)	-	-	(33.357)
Buildings	(11.312.634)	(2.815.400)	-	-	(14.128.034)
Plant, machinery and equipment	(110.964.624)	(22.499.353)	634.054	-	(132.829.923)
Motor vehicles	(16.820.994)	(10.575.128)	-	-	(27.396.122)
Furniture and fixtures	(197.799.441)	(2.539.460)	72.843	-	(200.266.058)
Other property, plant and equipment	(128.089.686)	(581.542)	-	-	(128.671.228)
Leasehold improvements	(187.099.688)	(11.845.951)	-	-	(198.945.639)
Property, plant and equipment acquired through finance leases	-	(746.492)	-	-	(746.492)
Right of use assets	(5.053.977)	(5.473.399)	5.053.977	-	(5.473.399)
Total	(657.141.226)	(57.109.900)	5.760.874	-	(708.490.252)
Net book value	1.363.650.492				1.610.913.39

5



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 JUNE 2024

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

Cost	Opening balance – 1 January 2023	Additions	Disposals (-)	Revaluation surplus	Closing balance – 31 December 2023
Land	736.398.619	-	-	(138.662.674)	597.735.945
Land improvements	-	532.265	-	-	532.265
Buildings	226.919.562	-	-	38.865.494	265.785.056
Plant, machinery and equipment	329.621.361	158.810.108	(115.529)	-	488.315.940
Motor vehicles	17.167.748	44.989.178	(15.996.346)	-	46.160.580
Furniture and fixtures	202.243.287	12.495.720	(465.607)	-	214.273.400
Other property, plant and equipment	130.280.138	622.974	-	-	130.903.112
Leasehold improvements	216.764.738	51.088.758	-	-	267.853.496
Right of use assets	8.352.111	-	-	-	8.352.111
Constructions in progress	873.292	6.521	-	-	879.813
Total	1.868.620.856	268.545.524	(16.577.482)	(99.797.180)	2.020.791.718

Accumulated depreciation (-)

	Opening balance – 1 January 2023	Current period depreciation	Disposals (-)	Revaluation surplus	Closing balance – 31 December 2023
Land improvements	-	(182)	-	-	(182)
Buildings	(5.670.615)	(5.642.019)	-	-	(11.312.634)
Plant, machinery and equipment	(75.875.802)	(35.094.598)	5.776	-	(110.964.624)
Motor vehicles	(5.185.227)	(11.902.372)	266.605	-	(16.820.994)
Furniture and fixtures	(192.726.950)	(5.538.098)	465.607	-	(197.799.441)
Other property, plant and equipment	(126.139.216)	(1.950.470)	-	-	(128.089.686)
Leasehold improvements	(171.847.634)	(15.252.054)	-	-	(187.099.688)
Right of use assets	(5.053.977)	-	-	-	(5.053.977)
Total	(582.499.421)	(75.379.793)	737.988	-	(657.141.226)
Net book value	1.286.121.435				1.363.650.492

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

i) Provisions

Account Name	30.06.2024	31.12.2023
Provision for lawsuits	96.359.459	110.730.672
Provision for unused vacation	6.220.152	5.905.245
Total	102.579.611	116.635.917

The movement of provision for lawsuits is as follows:

Account Name	01.01.2024	01.01.2023
	30.06.2024	31.12.2023
Beginning of the period – 1 January	110.730.672	2.277.865
Additions	7.586.431	109.232.053
Provisions no longer required	(21.957.644)	(779.246)
End of the period	96.359.459	110.730.672



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 JUNE 2024

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

The movement of provision for unused vacation is as follows:

Account Name	01.01.2024	01.01.2023
	30.06.2024	31.12.2023
Beginning of the period – 1 January	5.905.245	7.249.084
Additions	1.485.904	1.047.958
Provisions no longer required	(1.170.997)	(2.391.797)
End of the period	6.220.152	5.905.245

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

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

Type	30 June 2024			31 December 2023		
	Original currency amount	Currency	TL equivalent	Original currency amount	Currency	TL equivalent
Letter of guarantee given	72.462.436	TL	72.462.436	143.929.903	TL	143.929.903
Letter of guarantee given	55.940	USD	1.835.011	-	USD	-
Letter of guarantee given	762.850	EUR	26.778.934	-	EUR	-
Guarantee notes given	35.865.063	TL	35.865.063	9.392.407	TL	9.392.407
Guarantee notes given	88.650	EUR	3.111.952	88.650	EUR	2.885.655
Cheques given	2.818.709	TL	2.818.709	1.642.705.008	TL	1.642.705.008
Cheques given	181.000	USD	5.937.379	181.000	USD	5.324.586
Mortgages given	608.900.000	TL	608.900.000	52.181.011	TL	52.181.011
Mortgages given	45.000.000	USD	1.476.144.000	45.000.000	USD	1.323.792.000
Mortgages given	46.000.000	EUR	1.614.774.800	46.000.000	EUR	1.497.350.600
Total			3.848.628.284			4.677.561.169

iii) Ratio of guarantees and mortgages to equity

As of 30 June 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	30.06.2024	31.12.2023
A. Total amount of CPM's given in the name of its own legal personality	3.848.628.284	4.677.561.169
i. Letter of guarantee	148.809.484	1.804.237.558
ii. Mortgages	3.699.818.800	2.873.323.611
iii. Bill of guarantees	-	-
B. Total amount of CPM's given on behalf of the fully consolidated subsidiaries	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other CPM's given	-	-
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	-	-
Total	3.848.628.284	4.677.561.169

As of 30 June 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 JUNE 2024

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

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

Type	30 June 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	39.289.955	TL	39.289.955
Guarantee notes received	10.000.000	TL	10.000.000	12.838.583	TL	12.838.583
Cheques received	299.000	TL	299.000	11.428.308	TL	11.428.308
Cheques received	985.500	EUR	34.594.795	985.500	EUR	32.079.109
Total			67.493.795			95.635.955

iv) *Total insurance coverage on assets*

As of 30 June 2024, total insurance coverage on the assets of the Group is amounting to TL 1.595.824.665 (31 December 2023: TL 1.541.371.533).

LONG-TERM PROVISIONS

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

Account Name	30.06.2024	31.12.2023
-Long-term provisions for employee benefits	40.712.494	63.067.651
Provision for employment termination benefits	40.712.494	63.067.651
Total	40.712.494	63.067.651

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 June 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 June 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 June 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 JUNE 2024

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

The movements in the provision for employment termination benefits are as follows:

	01.01.2024 30.06.2024	01.01.2023 31.12.2023
Beginning of the period – 1 January	50.561.478	65.610.744
Service costs	3.169.228	35.554.755
Interest costs	5.377.075	1.099.631
Loss on remeasurements of defined benefit plans	(2.760.165)	(25.791.856)
Actuarial (gains)/losses	(10.850.407)	13.359.866
Payments during the period (-)	(4.784.715)	(26.765.489)
End of the period	40.712.494	63.067.651

NOTE 11 - OTHER ASSETS AND LIABILITIES

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

Account Name	30.06.2024	31.12.2023
Deferred VAT	7.671.209	16.947.144
Advances given to employees	702.003	344.689
Cash advances	201.508	119.939
Other	1.492.923	2.899.609
Other current assets, net	10.067.643	20.311.380

NOTE 12 – EQUITY

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

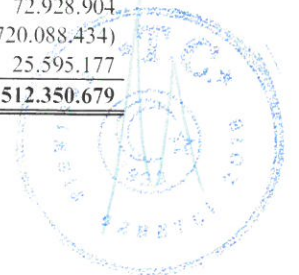
As of 30 June 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Koleksiyon Mobilya are as follows:

Shareholders	30 June 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
Total paid-in share capital	100.00	431.419.816	100.00	431.419.816
Adjustment to share capital		1.693.467.297		1.693.467.297
Total share capital		2.124.887.113		2.124.887.113

ii) Equity

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

Account Name	30.06.2024	31.12.2023
Paid-in share capital	431.419.816	431.419.816
Adjustment to share capital	1.693.467.297	1.693.467.297
Share premium	71.981.628	71.981.628
Treasury shares	(33.588.544)	(32.547.843)
Other comprehensive income or expenses not to be reclassified to profit or loss	(22.268.061)	(30.405.866)
Restricted reserves	72.928.904	72.928.904
Retained earnings	(694.493.257)	(720.088.434)
Profit for the period	146.963.968	25.595.177
Total equity	1.666.411.751	1.512.350.679



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 JUNE 2024

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

NOTE 13 - REVENUE AND COST OF SALES

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

Account Name	01.01.2024	01.01.2023	01.04.2024	01.04.2023
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Domestic sales	512.938.060	904.378.338	316.773.006	501.720.739
Foreign sales	173.489.438	174.626.220	82.733.339	109.379.737
Other revenue	1.786.489	551.812	1.786.489	551.812
Sales returns (-)	(5.912.691)	(4.198.565)	(1.190.314)	(3.543.364)
Sales discounts (-)	(93.597.363)	(166.205.434)	(57.066.710)	(94.468.515)
Net sales	588.703.934	909.152.372	343.035.811	513.640.409
Cost of merchandise sold (-)	(25.231.550)	(37.221.518)	(15.368.130)	(21.700.594)
Cost of goods sold (-)	(228.080.469)	(333.802.711)	(137.208.894)	(196.032.009)
Cost of services sold (-)	(1.064.319)	(5.163.381)	(526.845)	(2.487.786)
Depreciation and amortisation charges	(46.378.925)	(32.750.963)	(28.774.626)	(34.013.241)
Cost of sales (-)	(300.755.263)	(408.938.573)	(181.878.495)	(254.233.630)
Gross profit	287.948.671	500.213.799	161.157.316	259.406.779

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

Expenses by nature

As of 30 June 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	01.04.2024	01.04.2023
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Marketing, sales and distribution expenses (-)	(232.558.072)	(185.345.629)	(129.486.253)	(110.352.947)
Sales Premium and Commissions	(70.341.332)	(27.438.180)	(35.897.628)	(15.775.788)
Personnel Expenses	(66.874.505)	(75.081.263)	(35.893.580)	(41.730.648)
Depreciation and Amortisation Charges	(26.519.538)	(2.778.793)	(14.474.492)	(1.871.135)
Outsourcing Expenses	(20.634.998)	(11.892.513)	(13.247.348)	(6.761.047)
Advertisement and Promotion Expenses	(12.822.835)	(18.591.989)	(5.758.800)	(12.949.736)
Transportation, Distribution and Storage Expenses	(10.624.004)	(8.740.702)	(4.797.176)	(5.291.817)
Royalty, Brand and Patent Licensing Fees and Charges	(6.611.958)	(8.109.593)	(6.239.404)	(3.081.526)
Utility and Communication Expenses	(4.601.141)	(3.442.262)	(2.759.526)	(1.803.933)
Security Service Costs	(2.982.471)	(2.612.943)	(1.920.520)	(1.477.370)
Rent and Subscription Expenses	(2.763.989)	(5.716.014)	(2.989.926)	(3.736.646)
Travel and Accomodation Expenses	(1.664.573)	(797.744)	(989.536)	(521.138)
Assembly and Project Management Costs	(1.361.294)	(3.407.730)	(803.943)	(2.023.443)
Maintenance and Repair Expenses	(1.139.186)	(1.331.999)	(564.155)	(648.580)
Taxes, Duties and Charges	(773.524)	(893.650)	(498.295)	(185.043)
Insurance Expenses	(756.491)	(364.865)	(443.959)	(213.770)
Other	(2.086.232)	(14.145.391)	(2.207.964)	(12.281.326)



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 JUNE 2024

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

General Administrative Expenses (-)

Account Name	01.01.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2024 30.06.2024	01.04.2023 30.06.2023
General Administrative Expenses (-)	(54.710.527)	(65.530.753)	(32.401.987)	(38.256.107)
Personnel Expenses	(27.389.226)	(22.304.328)	(17.137.396)	(11.644.762)
Travel and Accomodation Expenses	(6.110.186)	(1.567.001)	(4.899.498)	(1.567.001)
Consultancy and Project Management Fees and Charges	(5.470.070)	(12.892.259)	(3.603.526)	(3.753.992)
Outsourcing Expenses	(3.425.992)	(14.856.137)	(1.311.535)	(13.596.951)
Depreciation and Amortisation Charges	(3.013.160)	(3.287.808)	(1.777.771)	(2.738.158)
Taxes, Duties and Charges	(2.350.784)	(3.422.815)	(877.600)	(1.693.811)
Advertisement and Promotion Expenses	(1.420.158)	(1.713.787)	(765.932)	(874.031)
Utility and Communication Expenses	(673.503)	(2.246.842)	(525.601)	(1.007.798)
Other	(4.857.448)	(3.239.776)	(1.503.128)	(1.379.603)

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 June 2024 and 2023, the breakdown and detailed analysis of income taxes are as follows:

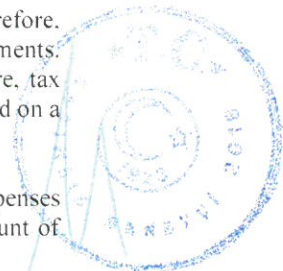
Account Name	01.01.2024 30.06.2024	01.01.2023 30.06.2023	01.04.2024 30.06.2024	01.04.2023 30.06.2023
Current period tax expense	(923.174)	(42.724.492)	(923.174)	3.962.683
Deferred income tax	72.716.421	6.646.409	12.230.675	5.483.528
Total tax income/(expense)	71.793.247	(36.078.083)	11.307.501	9.446.211

i) Corporate tax

Type	01.01.2024 30.06.2024	01.01.2023 31.12.2023
Operating profit	5.947.933	346.219.512
Tax base additions	10.235.397	38.015.402
Non-deductible expenses	10.694.389	38.015.402
Tax allowances, exemptions and discounts from operating loss (-)	(123.518)	(223.615)
Other allowances and exemptions	(123.518)	(223.615)
Tax allowances, exemptions and discounts from operating profit (-)	(7.509.728)	(58.515.006)
Grants and donations	(1.468.531)	(3.582.204)
Tax allowances and discounts from research and development and innovation expenditures	(6.041.197)	(8.043.626)
Interest deduction from cash capital increase	-	(46.889.178)
Other prior year's losses	(5.896.668)	(2.469.341)
Operating profit, net	8.919.561	330.382.136
Operating loss, net	-	(4.885.844)
Reduced corporate tax base (10,35%)	8.919.561	207.713.359
Tax base subject to corporate tax in accordance with CTL article numbered 32.8 (22%)	-	118.699.439
Tax base subject to corporate tax in accordance with CTL article numbered 32.7 (18%)	-	1.864.415
Tax calculated at domestic tax rate	-	2.104.922
Current period tax expense	923.174	46.087.061
Total taxes to be offset (-)	317.955	48.652.553
Current income tax liabilities, net	605.219	-

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.

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.



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 JUNE 2024

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

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.

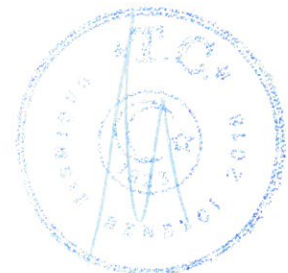
ii) *Deferred tax*

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 June 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)	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Doubtful receivables	2.613.505	1.420.802	653.376	355.200
Impairment on inventories & Adjustments for inflation	38.460.176	14.230.510	(9.615.044)	3.557.628
Provision for unused vacation	6.220.152	5.905.245	1.555.038	1.476.311
Provision for lawsuits	96.359.459	110.730.671	24.089.865	27.682.668
Provision for employment termination benefits	40.712.494	63.067.652	10.178.123	15.766.912
Property, plant and equipment and adjustments for inflation	1.304.030.830	1.971.795.016	(326.007.708)	(492.948.754)
Financial investments	36.723.922	-	2.295.245	-
Annual effective interest rate on borrowings	4.945.347	-	1.236.337	-
Other liabilities	33.126.802	-	8.281.701	-
Contribution under the investment incentive certificate	21.085.052	-	5.271.263	-
Other	12.092.599	4.766.053	(3.023.150)	1.191.513
Deferred tax liabilities, net			(285.084.954)	(442.918.521)



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 JUNE 2024

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

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

Account Name	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Beginning of the period - 1 January	(442.918.521)	(361.938.613)
Deferred income tax during the period	72.716.421	6.646.409
Actuarial gains/losses	(2.712.602)	-
Adjustments for inflation	87.829.748	34.891.373
End of the period – 30 June	(285.084.954)	(320.400.831)

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 June 2024, the tax advantage amounting to TL 5.271.263, which the Group is expected to benefit from in the foreseeable future, has been recognized as a deferred tax asset in the interim condensed consolidated financial statements. This deferred tax asset is expected to be utilized during the period.

Deferred tax assets are recognized when it is probable that taxable income will be available in future periods. When taxable income is likely, deferred tax assets are calculated based on deductible temporary differences, tax losses, and tax advantages arising from unlimited investment incentives that allow for reduced corporate tax payments. In this context, the Group bases the recognition of deferred tax assets from investment incentives on long-term planning and evaluates the recoverability of these assets at each balance sheet date, using business models that include projections of taxable profits. The relevant deferred tax asset is expected to be recovered within 1 year from the balance sheet date.

In accordance with the sensitivity analysis as of 30 June 2024, when the inputs in the basic macroeconomic and sectoral assumptions underlying the business plans were increased or decreased by 10%, there was no change incurred in the projected recovery period of 1 year for the deferred tax assets related to investment incentives.

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 June 2024 and 2023, which is as follows:

Earnings per share	01.01.2024	01.01.2023	01.04.2024	01.04.2023
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit for the period attributable to equity holders of the parent	146.963.968	278.930.124	68.072.356	99.531.822
Weighted average number of shares	431.419.816	431.419.816	431.419.816	431.419.816
Earnings per share	0.3407	0.6465	0.1578	0.2307



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 JUNE 2024

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

NOTE 17 - RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

	30.06.2024		31.12.2023	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Due from related parties				
Bakraz Turizm A.Ş.	38.096	-	47.519	-
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	-	-	467.322	-
Other	641.576	3.484.179	130.410	4.744.211
Malhan Design Gmbh	146.032	-	-	-
Koleksiyon San. ve U.arası Tic. Faruk Malhan ve Ort. Koll.	417.231	-	-	-
Total	1.242.935	3.484.179	645.251	4.744.211

	30.06.2024		31.12.2023	
	Trade payables	Other payables	Trade payables	Other payables
Due to related parties				
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	872.726	-	-	-
Other	23.611	7.873	-	9.820
Total	896.337	7.873	-	9.820

b) Related party transactions are as follows:

Purchases - 30.06.2024

None.

30.06.2023

Purchases	30.06.2023				
	Goods	Services	Rent	Other	Total
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	6.169.998	-	-	199.211	6.369.209
Other	-	-	-	3.147.866	3.147.866
Total	6.169.998	-	-	3.347.077	9.517.075

Sales	30.06.2024				
	Goods	Services	Rent	Other	Total
Other	20.252	-	-	-	20.252
Total	20.252	-	-	-	20.252

Sales	30.06.2023				
	Goods	Services	Rent	Other	Total
Malhan Akademi Kültür Sanat ve Tasarım A.Ş. (Former title: Dizaynzone Endüstriyel Tasarım A.Ş.)	5.375	-	84.196	420.102	509.673
Other	86.974	-	-	-	86.974
Total	92.349	-	84.196	420.102	596.647

c) Key management compensation

	01.01.2024	01.01.2023
	30.06.2024	30.06.2023
Key management personnel compensation	4.030.773	13.949.297
Total	4.030.773	13.949.297

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



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 JUNE 2024

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

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 flow.

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

	Current period - 30.06.2024				
	TL equivalent	USD	EUR	GBP	Other
1. Trade Receivables	30.644.142	430.110	471.036	-	-
2a. Monetary Financial Assets	17.822.698	111.830	403.116	83	-
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Total Current Assets (1+2+3)	48.466.840	541.940	874.152	83	-
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Total Non-Current Assets (5+6+7)	-	-	-	-	-
9. Total Assets (4+8)	48.466.840	541.940	874.152	83	-
10. Trade Payables	10.313.201	70.476	164.456	52.641	-
11. Financial Liabilities	23.619.336	-	670.157	-	-
12a. Other Monetary Liabilities	72.106.797	294.689	830.632	-	85.632.516
12b. Other Non-Monetary Liabilities	-	-	-	-	-
13. Total Current Liabilities (10+11+12)	106.039.335	365.165	1.665.244	52.641	85.632.516
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	16.848.612	-	478.049	-	-
16a. Other Monetary Liabilities	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	16.848.612	-	478.049	-	-
18. Total Liabilities (13+17)	122.887.946	365.165	2.143.294	52.641	85.632.516
19. Off-Balance Sheet Derivative Instruments					
Net Asset / (Liability) Position (19a-19b)					
19a. Total Asset Amount of Hedged	-	-	-	-	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	(74.421.106)	176.775	(1.269.142)	(52.559)	(85.632.516)
21. Monetary Items Net Foreign Exchange Assets /(Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	(74.421.106)	176.775	(1.269.142)	(52.559)	(85.632.516)

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 JUNE 2024

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

22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-	-
25. Export	156.898.709	3.826.249	869.660	5.552	-
26. Import	34.553.251	400	878.801	89.135	-

Prior period - 31.12.2023						
	TL equivalent	USD	EUR	GBP	Other	
1. Trade Receivables	65.744.597	343.933	1.242.331	31.433	9.850	
2a. Monetary Financial Assets	13.127.513	312.716	15.202	21.216	617	
2b. Non-Monetary Financial Assets	-	-	-	-	-	
3. Other	-	-	-	-	-	
4. Total Current Assets (1+2+3)	78.872.110	656.649	1.257.533	52.649	10.467	
5. Trade Receivables	-	-	-	-	-	
6a. -	-	-	-	-	-	
6b. -	-	-	-	-	-	
7. Other	-	-	-	-	-	
8. Total Non-Current Assets (5+6+7)	-	-	-	-	-	
9. Total Assets (4+8)	78.872.110	656.649	1.257.533	52.649	10.467	
10. Trade Payables	-	-	-	-	-	
11. Financial Liabilities	11.608.832	-	285.714	-	-	
12a. Other Monetary Liabilities	77.664.527	858.533	212.626	33.863	81.311.771	
12b. Other Non-Monetary Liabilities	-	-	-	-	-	
13. Total Current Liabilities (10+11+12)	89.273.359	858.533	498.340	33.863	81.311.771	
14. Trade Payables	-	-	-	-	-	
15. Financial Liabilities	-	-	-	-	-	
16a. Other Monetary Liabilities	-	-	-	-	-	
16b. Other Non-Monetary Liabilities	-	-	-	-	-	
17. Total Non-Current Liabilities (14+15+16)	-	-	-	-	-	
18. Total Liabilities (13+17)	89.273.359	858.533	498.340	33.863	81.311.771	
Off-Balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)						
Pozisyonu (19a-19b)						
19a. Total Asset Amount of Hedged	-	-	-	-	-	
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	(10.401.249)	(201.884)	759.193	18.786	81.301.304	
21. Monetary Items Net Foreign Exchange Assets/(Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	(10.401.249)	(201.884)	759.193	18.786	81.301.304	



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 JUNE 2024

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

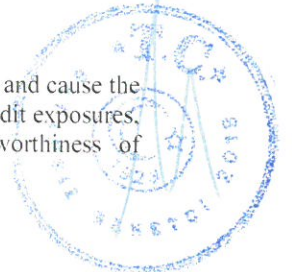
The following table details the Group's foreign currency sensitivity as at 30 June 2024 and 31 December 2023 for the changes at the rate of 10%:

Foreign Exchange Sensitivity Analysis		
Current period - 30.06.2024		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	575.076	(575.076)
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	575.076	(575.076)
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	(4.485.327)	4.485.327
5- Hedged portion of EUR Risk (-)	-	-
6- EUR Net Effect (4+5)	(4.485.327)	4.485.327
Change in GBP against TL by 10%		
7- GBP Net Asset/Liability	(219.251)	219.251
8- Hedged portion of GBP Risk (-)	-	-
9- GBP Net Effect (7+8)	(219.251)	219.251
Change in CHF against TL by 10%		
10- CHF Net Asset/Liability	-	-
11- Hedged portion of CHF Risk (-)	-	-
12- CHF Net Effect (10+11)	-	-
Change in Other currencies against TL by 10%		
13- Other Currencies Net Asset/Liability	(3.312.608)	3.312.608
14- Hedged portion of Other Currencies Risk (-)	-	-
15- Other Currencies Net Effect (13+14)	(3.312.608)	3.312.608
TOTAL	(7.442.111)	7.442.111

Foreign Exchange Sensitivity Analysis		
Prior period - 31.12.2023		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in USD against TL by 10%		
1- USD Net Asset/Liability	(741.309)	741.309
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	(741.309)	741.309
Change in EUR against TL by 10%		
4- EUR Net Asset/Liability	3.084.674	(3.084.674)
5- Hedged portion of EUR Risk (-)	-	-
6- EUR Net Effect (4+5)	3.084.674	(3.084.674)
Change in Other currencies against TL by 10%		
7- Other Currencies Net Asset/Liability	(3.383.489)	3.383.489
8- Hedged portion of Other Currencies Risk (-)	-	-
9- Other Currencies Net Effect (7+8)	(3.383.489)	3.383.489
TOTAL	(1.040.124)	1.040.124

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 JUNE 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 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 June 2024 and 31 December 2023 are as follows:

30.06.2024

	Carrying value	Total cash outflows	Demand or up to 3 months	4-12 months	1-5 years	5 years and over
Bank borrowings	271.668.394	350.667.227	77.492.654	176.601.860	90.462.524	6.110.190
Finance leases	28.638.888	32.879.027	3.186.820	9.296.796	20.395.410	-
Other	121.579.454	193.238.066	9.751.916	31.693.726	151.792.424	-
Trade payables	103.164.386	103.164.386	103.164.386	-	-	-
Other payables	36.471.690	36.471.690	36.471.690	-	-	-
Total	561.522.812	716.420.396	230.067.466	217.592.382	262.650.358	6.110.190

31.12.2023

	Carrying value	Total cash outflows	Demand or up to 3 months	4-12 months	1-5 years
Bank borrowings	387.392.191	495.041.618	32.485.340	263.737.987	189.173.492
Trade payables	111.742.867	111.742.867	111.742.867	-	-
Other payables	37.278.581	37.278.581	37.278.581	-	-
Total	536.413.638	644.063.066	181.506.787	263.737.987	189.173.492

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 JUNE 2024

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

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

	30.06.2024	31.12.2023
Total borrowings	1.273.368.842	1.368.678.937
Less: Cash and cash equivalents	32.966.409	71.617.250
Net financial debt	1.240.402.433	1.297.061.687
Equity	1.666.411.751	1.512.350.679
Invested capital	2.906.814.184	2.809.412.366
Net financial debt/invested capital ratio	0.4267	0.4617

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.



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 JUNE 2024

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

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

30.06.2024	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 fair value through profit or loss	Carrying value	Fair value
Financial assets		32.966.409	119.982.802	-	12.230.324	-	165.179.535	165.179.535
Cash and cash equivalents	3	32.966.409	-	-	-	-	32.966.409	32.966.409
Trade receivables	5	-	119.982.802	-	-	-	119.982.802	119.982.802
Financial investments		-	-	-	12.230.324	-	12.230.324	12.230.324
Financial liabilities		-	525.051.120	-	-	-	525.051.120	525.051.120
Borrowings	4	-	421.886.734	-	-	-	421.886.734	421.886.734
Trade payables	5	-	103.164.386	-	-	-	103.164.386	103.164.386
Other financial liabilities		-	-	-	-	-	-	-
31.12.2023		71.617.250	145.276.588	-	412.765	-	217.306.604	217.306.604
Financial assets		71.617.250	145.276.588	-	412.765	-	217.306.604	217.306.604
Cash and cash equivalents	3	71.617.250	-	-	-	-	71.617.250	71.617.250
Trade receivables	5	-	145.276.588	-	-	-	145.276.588	145.276.588
Financial investments		-	-	-	412.765	-	412.765	412.765
Financial liabilities		-	509.306.659	-	-	-	509.306.659	509.306.659
Borrowings	4	-	397.563.792	-	-	-	397.563.792	397.563.792
Trade payables	5	-	111.742.867	-	-	-	111.742.867	111.742.867
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 JUNE 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 30 June 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

In accordance with the decision of the General Assembly on 3 September 2024 and numbered 21, it was decided to open a branch in the Turkish Republic of Northern Cyprus and to operate the branch in the field of furniture and furnishings as its nature of business.

