

**Dođanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim
Şirketi and Its Subsidiaries**

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH AS 30 JUNE 2023
TOGETHER WITH THE LIMITED AUDITORS' REPORT

(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

17 August 2023

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

INTERIM SUMMARY CONSOLIDATE LIMITED AUDITOR'S REPORT

To the General Assembly of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.

Introduction

We have waded the interim summary consolidated limited financial statements of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (the "Group"), which comprise the limited consolidated statement of financial position as at 30 June 2023, and the limited consolidated statement of comprehensive income, limited consolidated statement of changes in equity and limited consolidated statement of limited cash flows for the six month ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

The Group management is responsible for the preparation and presentation of the said interim consolidated financial information in accordance with the Turkish Accounting Standard 34 "Interim Financial Reporting" Standard ("TAS 34") published by the Public Oversight Accounting and Auditing Standards Authority ("KGGK"). Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

Scope of Limited Audit

Our review was conducted in accordance with Limited Audit Standard ("SBDS") 2410 "Review of Interim Financial Information by the Auditor Carrying out the Audit of the Annual Financial Statements of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for finance and accounting matters, and performing analytical and other review procedures. Scope of review of interim financial information; It is significantly narrow compared to the scope of the independent audit, which is performed in accordance with the Independent Auditing Standards and whose purpose is to express an opinion on the financial statements. As a result, a review of interim financial information does not provide an assurance that the firm will be familiar with all significant matters that can be identified in an independent audit. Therefore, we do not express an independent audit opinion.

Basis for Qualified Opinion

As stated in Note 16 of the accompanying notes to the consolidated financial statements, the Group has a balance of trade receivables amounting to TL 149.547.670 from third parties arising from as a result of its operations and their maturities are significantly over due 180 days or over in the consolidated balance sheet as at 30 June 2023. In addition, due to the conversion of the abovementioned trade receivables, denominated in foreign currencies and their maturities are significantly over due 180 days or over into the Turkish Lira, foreign exchange gains amounting to TL 42.303.462 has been recognized in the other operating income. We were unable to obtain sufficient appropriate audit evidence and implement audit procedures about determining whether any impairment incurred in the trade receivables. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As of 30 June 2023, the Group has idle inventories amounting to TL 27.293.705 obtained from sales in 2017 in its consolidated balance sheet. We were unable to obtain sufficient appropriate audit evidence and implement audit procedures about determining whether any impairment incurred in the inventories. Consequently, we were unable to determine whether any recoverability of these amounts were necessary.

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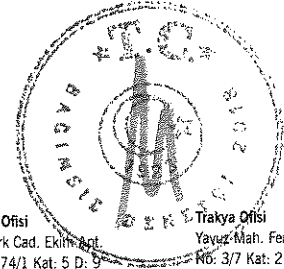
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The subsidiary of the Group, Dođtař Holland B.V., Dođtař Bulgaria Eood and Dođtař Germany GmbH are not included in the scope of consolidation since they are immaterial to the accompanying consolidated financial statements in accordance with the evaluation made by the Group management and classified as “financial assets”. As of 30 June 2023, financial assets amounting to TL 9.469.958 are carried at cost are operating to a limited extent and their total net asset are remained uncovered and in accordance with TFRS 9 “Financial Instruments” standard, provision for impairment on financial assets amounting to TL 9.469.958 should allocated for the carrying value of the financial assets in the consolidated opening balance sheet on 1 January 2018. Accordingly, if the Group had recognized the aforementioned provision for impairment in its consolidated financial statements, the financial assets of the Group would have been TL 9.469.958 lower and retained losses would have been TL 9.469.958 higher.

Conditional Result

Based on our review, the accompanying interim condensed consolidated financial information has been prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”, excluding any adjustments to the interim condensed consolidated financial information that may be required by the matters set out in the Basis for Qualified Conclusion paragraph.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

An Independent Member of BAKER TILLY INTERNATIONAL



İstanbul, 17 August 2023

Metin Etkin

Partner

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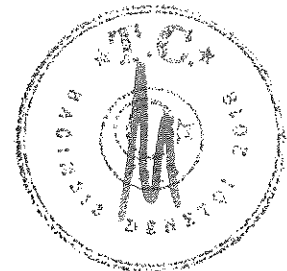
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

ASSETS	Notes	Limited Audited	Audited Prior
		Current Period	Period
		30 June	31 December
		2023	2022
Current Assets		2.444.235.349	1.816.440.865
Cash and Cash Equivalents	3	244.680.201	294.333.290
Financial Investments		9.549.662	-
Trade Receivables	5	575.623.509	413.883.299
- Related Parties	6	37.680.254	7.816.699
- Third Parties	5	537.943.255	406.066.600
Other Receivables	7	207.973.501	26.129.960
- Related Parties	7	180.921.353	7.024.359
- Third Parties	6	27.052.148	19.105.601
Inventories	8	1.096.515.795	883.199.525
Prepaid Expenses		270.692.021	127.184.260
Current Income Tax Assets	11	1.283.323	1.320.530
Other Current Assets		37.917.337	70.390.001
		2.444.235.349	1.816.440.865
Non-Current Assets Held for Sale		--	--
Non-Current Assets		1.676.124.069	1.432.651.445
Other Receivables	7	42.772.950	40.198.766
- Third Parties	7	42.772.950	40.198.766
Financial Investments		9.469.958	9.469.958
Property, Plant and Equipment	9	1.219.390.826	1.107.692.021
Right of Use Assets		355.881.021	225.977.670
Intangible Assets		48.609.314	49.313.030
TOTAL ASSETS		4.120.359.418	3.249.092.310

The accompanying notes from an integral part of these summary interim consolidated financial statements.



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

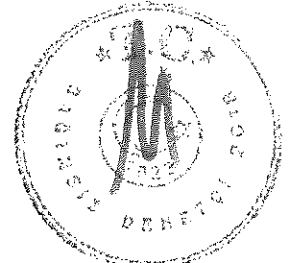
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES	Notes	Limited Audited Current Period 30 June 2023	Audited Prior Period 31 December 2022
Current Liabilities		2.671.873.739	1.988.996.186
Short-Term Borrowings	4	188.358.976	182.724.183
- Bank Borrowings		42.373.094	79.951.870
- Lease Liabilities		145.985.882	102.772.313
Short Term Portion of Long Term Borrowings	4	790.733.747	329.663.261
Trade Payables	5	1.107.919.210	985.168.142
- Third Parties	5	1.107.919.210	985.168.142
- Related Parties		--	--
Employee Benefits	15	64.361.251	60.308.708
Other Payables	7	6.884.447	5.920.904
- Third Parties	7	6.790.974	5.906.854
- Related Parties	6	93.473	14.050
Deferred Income	10	461.645.117	383.347.839
Short Term Provisions		51.970.991	41.863.149
- Short Term Provisions for Employee Benefits	15	25.446.590	20.947.521
- Other Short Term Provisions	14	26.524.401	20.915.628
Non-Current Liabilities		811.560.659	731.502.272
Long Term Borrowings	4	734.901.625	664.487.886
- Bank Borrowings		381.487.419	424.046.493
- Lease Liabilities	4	353.414.206	240.441.393
Other Payables	7	9.524.326	4.807.513
- Third Parties		9.524.326	4.807.513
Long Term Provisions		27.264.406	53.629.209
- Long Term Provisions for Employee Benefits	15	23.976.133	50.960.335
- Other Long Term Provisions	14	3.288.273	2.668.874
Deferred Tax Liabilities	22	39.870.302	8.577.664
EQUITY		636.925.020	528.593.852
Equity Holders of the Parent		636.955.526	528.606.226
Paid-in Share Capital	16	350.000.000	350.000.000
Adjustment to Share Capital	16	(159.069.767)	(159.069.767)
Share Premium	16	9.460.292	9.460.292
Treasury Shares (-)		(13.982.918)	(7.793.458)
Other comprehensive income/expense not to be reclassified to profit or loss		407.491.819	425.325.289
Other comprehensive income/expense to be reclassified to profit or loss	16	(107.797.420)	(85.267.270)
Restricted Reserves	16	3.441.327	3.441.327
Retained Earnings		(7.490.187)	(187.340.014)
Profit for the Period		154.902.380	179.849.827
Non-Controlling Interests		(30.506)	(12.374)
TOTAL LIABILITIES AND EQUITY		4.120.359.418	3.249.092.310

The accompanying notes from an integral part of these summary interim consolidated financial statements.



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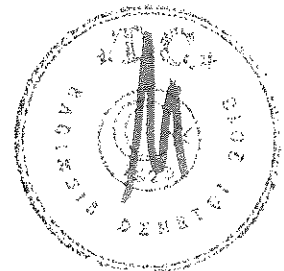
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INTERIM LIMITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTH AS 30 JUNE 2023 AND 30 JUNE 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Limited Audited Current Period	Limited Unaudited Current Period	Limited Audited Prior Period	Limited Unaudited Prior Period
Profit or Loss	<i>Dipnot</i>	January 01 – June 30 2023	April 01 – June 30 2023	January 01 – June 30 2022	April 01 – June 30 2022
Revenue	12	2.612.140.559	1.495.654.151	1.425.788.152	846.305.330
Cost of Sales (-)	12	(1.679.953.734)	(956.430.093)	(931.059.585)	(543.423.322)
Gross Profit		932.186.825	539.224.058	494.728.567	302.882.008
General Administrative Expenses (-)	13	(131.513.219)	(65.884.673)	(58.204.067)	(39.669.691)
Marketing, Sales and Distribution Expenses (-)	13	(545.099.352)	(303.209.109)	(290.971.120)	(156.781.201)
Research and Development Expenses (-)	13	(19.543.213)	(9.403.291)	(10.318.398)	(4.831.654)
Other Operating Income	14	184.865.593	152.156.626	98.518.271	60.349.434
Other Operating Expenses (-)	14	(67.758.685)	(49.467.423)	(44.683.194)	(23.965.994)
OPERATING PROFIT		353.137.949	263.416.188	189.070.059	137.982.902
Gains from investment activities		8.932.946	6.852.701	2.099.267	60.373
Losses from investment activities (-)		(214.000)	(16.831)	(165.359)	(163.737)
Operating profit before financial income/(expense)		361.856.895	270.252.058	191.003.967	137.879.538
Financial Income	15	90.320.751	33.491.992	20.015.670	7.911.062
Financial Expense (-)	15	(294.704.522)	(182.974.239)	(167.799.928)	(99.348.348)
PROFIT BEFORE TAX		157.473.124	120.769.811	43.219.709	46.442.252
Tax income/(expense)		(2.588.876)	4.100.440	7.680.625	40.020
- Deferred tax income/expense	11	(2.588.876)	4.100.440	7.680.625	40.020
PROFIT FOR THE PERIOD		154.884.248	124.870.251	50.900.334	46.482.272
Distribution of Net Profit / (Loss)					
Equity Holders of the Parent		154.902.380	124.885.617	50.910.319	46.496.700
Non-Controlling Interests		(18.132)	(15.366)	(9.985)	(14.428)
Earnings per share attributable to equity holders of the parent (Kr)	18	0,0044	0,0036	0,0015	0,0013
Diluted earnings per share attributable to equity holders of the parent (Kr)	18	0,0044	0,0036	0,0015	0,0013

The accompanying notes from an integral part of these summary interim consolidated financial statements.



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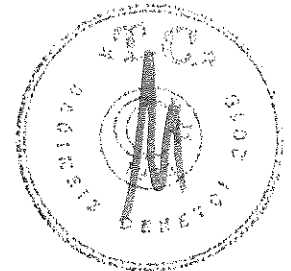
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CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE 2023 AND 30 JUNE 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Limited Audited Current Period	Limited Unaudited Current Period	Limited Audited Prior Period	Limited Unaudited Prior Period
	January 01 – June 30 2023	April 01 – June 30 2023	January 01 – June 30 2022	April 01 – June 30 2022
PROFIT FOR THE PERIOD	154.884.248	124.870.251	50.900.334	46.482.272
OTHER COMPREHENSIVE INCOME:				
Items not to be reclassified to profit/loss	-17.833.470	-16.801.316	--	--
Property, plant and equipment revaluation surplus	--	--	--	--
Gains/(losses) on remeasurements of defined benefit plans	14.797.332	16.087.524	--	--
Gains/(losses) on revaluation and remeasurements	--	--	--	--
Taxes relating to other comprehensive income not to be reclassified to profit/loss	(32.630.802)	(32.888.840)	--	--
Items to be reclassified to profit/loss	(22.530.150)	(30.173.333)	(2.238.804)	(992.656)
Currency translation differences	(13.134.576)	(12.488.229)	(460.032)	(642.543)
Gains/(losses) on cash flow hedges	(12.527.432)	(22.889.344)	(2.223.465)	(437.641)
Taxes relating to other comprehensive income to be reclassified to profit/loss	3.131.858	5.204.240	444.693	87.528
OTHER COMPREHENSIVE INCOME	(40.363.620)	(46.974.649)	(2.238.804)	(992.656)
TOTAL COMPREHENSIVE INCOME	114.520.628	77.895.602	48.661.530	45.489.616
Distribution of Total Comprehensive Income				
Non-Controlling Interest	(18.132)	(15.366)	(9.985)	(14.428)
Equity Holders of the Parent	114.538.760	77.910.968	48.671.515	45.504.044

The accompanying notes from an integral part of these summary interim consolidated financial statements.



CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTH AS 30 JUNE 2023 AND 30 JUNE 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Items not to be reclassified to profit/loss				Items to be reclassified to profit/loss		Retained Earnings		Equity Holders of the Parent	Non-controlling interests	Total Equity		
	Paid-in share capital	Share premium	Treasury shares	Gains/(losses) on remeasurement of defined benefit plans	Property, plant and equipment revaluation surplus	Gains/(losses) on cash flow hedges	Currency translation differences	Restricted Reserves				Prior Years Income	Profit For the Period
Prior Period (Limited Audited)													
Balances at 1 January 2023	190.930.233	9.460.292	(7.793.458)	(32.822.332)	458.147.621	(83.443.587)	(1.823.883)	3.441.327	(187.340.014)	179.849.827	528.606.226	(12.374)	528.593.852
Transfers	-	-	-	-	-	-	-	-	179.849.827	(179.849.827)	-	-	-
Gains/losses on treasury share transactions	-	-	(6.189.460)	-	-	-	-	-	-	-	(6.189.460)	-	(6.189.460)
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	11.097.999	(28.931.469)	(9.395.574)	(13.134.576)	-	-	154.902.380	114.538.760	(18.132)	114.520.628
Balances at 30 June 2023	190.930.233	9.460.292	(13.982.918)	(21.724.333)	429.216.152	(92.838.961)	(14.958.459)	3.441.327	(7.490.187)	154.902.380	636.955.526	(30.506)	636.925.020
Current Period (Limited Audited)													
Balances at 1 January 2022	190.930.233	9.460.292	(7.793.458)	(2.988.950)	280.430.161	(91.122.003)	(418.671)	3.441.327	(213.097.811)	25.757.797	194.598.917	3.300	194.602.217
Transfers	-	-	-	-	-	-	-	-	25.757.797	(25.757.797)	-	-	-
Gains/losses on treasury share transactions	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(1.778.772)	(460.032)	-	-	50.910.319	48.671.515	(9.985)	48.661.530
Balances at 30 June 2022	190.930.233	9.460.292	(7.793.458)	(2.988.950)	280.430.161	(92.980.775)	(878.703)	3.441.327	(187.340.014)	50.910.319	243.270.432	(6.685)	243.263.747

The accompanying notes from an integral part of these summary interim consolidated financial statements.



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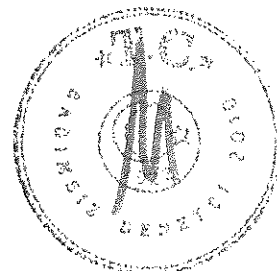
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CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 30 JUNE 2023 AND 30 JUNE 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Limited Audited Current Period 1 January - 30 June 2023	Limited Audited Prior Period 1 January - 30 June 2022
	Notes	154.884.248	50.900.334
PROFIT FOR THE PERIOD			
Adjustments to reconcile profit for the period to cash generated from operating activities:		309.847.978	158.544.705
Depreciation and amortization		105.591.555	60.402.250
Adjustments for Impairment Loss (Reversal)		672.752	961.943
Adjustments for Provision for Employee Benefits		40.643.596	7.621.998
Adjustments for Provision for Warranty		3.293.190	2.511.105
Adjustments for Other Provisions		2.934.982	1.484.971
Adjustments for tax income/expense	8	2.588.876	(7.680.625)
Adjustments for interest income and expenses	11	105.816.660	45.327.647
Adjustments for unrealised currency translation differences		69.552.745	52.072.789
Adjustments for gains/losses on cash flow hedges		(12.527.432)	(2.223.465)
Adjustments for losses/(gains) on disposal of non-current assets		(8.718.946)	(1.933.908)
Changes in Working Capital		(452.460.741)	103.110.060
Gains/Losses on financial investments		(9.549.662)	--
Gains/Losses on Trade Receivables	5	(165.825.019)	(23.171.341)
Gains/Losses on Other Receivables Related To Operations	7	(184.417.725)	(20.771.046)
Changes in Inventories	8	(213.316.270)	(312.609.103)
Changes in Prepaid Expenses		(143.507.761)	(55.623.422)
Gains/Losses on Trade Payables	5	143.686.285	395.695.535
Gains (losses) in payables due to employee benefits		4.052.543	3.950.485
Gains/Losses In Other Payables Related To Operations	7	5.600.933	1.341.859
Gains/Losses In Deferred Income		78.297.278	148.503.478
Adjustments for other changes in working capital		32.518.657	(34.206.385)
Cash Flows from Operating Activities		12.271.485	309.755.426
Payments for Provisions Related with Employee Benefits		(48.331.397)	(2.799.673)
A) CASH FLOWS FROM OPERATING ACTIVITIES		(36.059.912)	309.755.426
Cash outflows from purchase of property, plant and equipment and intangible assets	9	(182.061.706)	(165.020.034)
Cash inflows from sale of property, plant and equipment and intangible asset	9	20.109.555	5.049.293
B) CASH FLOWS FROM INVESTING ACTIVITIES		(161.952.151)	(159.970.741)
Cash outflows from acquisition of treasury shares and other equity instruments		(6.189.460)	--
Interest paid		(125.217.505)	(96.985.653)
Cash inflows from borrowings	4	618.082.068	925.803.943
Cash outflows from lease liabilities		(29.401.962)	(12.025.427)
Cash outflows from repayments of borrowings	4	(308.993.590)	(866.349.700)
Cash inflows from related parties		79.423	(10.403.973)
C) CASH FLOWS FROM FINANCING ACTIVITIES		148.358.974	(59.960.810)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(49.653.089)	89.823.875
D) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	294.333.290	49.168.829
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	3	244.680.201	138.992.704

The accompanying notes from an integral part of these summary interim consolidated financial statements.



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

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30
JUNE 2023**

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Kelebek Mobilya ve Kontrplak Sanayi A.Ş. was established on 1935 in Turkey. In accordance with the decision of the Extraordinary General Assembly, the title of Kelebek Mobilya ve Kontrplak Sanayi A.Ş. was changed to Kelebek Mobilya Sanayi ve Ticaret A.Ş. ("Kelebek Mobilya") on 12 December 2003 and published in Official Gazette on 29 December 2003 numbered 5956.

Doğ-taş Doğanlar Mobilya İmalat Enerji Üretim Sanayi ve Ticaret A.Ş. ("Doğtaş İmalat") was acquired 67% of Kelebek Mobilya Sanayi ve Ticaret A.Ş.'s shares on 6 September 2012.

In 2013, the assets and liabilities of Doğ-Taş Doğanlar Mobilya İmalat Enerji Üretim Sanayi A.Ş. determined on 31 December 2013, the business combination was realised and registered on 21 October 2013 in accordance with the article 136 of the Turkish Commercial Code No. 6102 and other articles related to the business combinations, provisions of Articles 18, 19 and 20 of the Corporate Tax Law, Capital Market Law and Series No. I and within the framework of the Expert Institution Report on 26 April 2013 and prepared in accordance with the provisions of the "Communiqué on Principles Regarding Mergers" numbered 31 and the "Business Combination Agreement" prepared in accordance with the provisions of the Capital Markets legislation. The title of Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş.'nin (the "Company") was changed to Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş.

In accordance with the amendment of the article numbered 3 in the articles of the association, it was decided that the title of Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş. was changed to "Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi". The decision was published in Official Gazette on 24 December 2021 and numbered 10480.

Doğanlar Mobilya's business activities include production and sale of furnitures.

The registered address of Doğanlar Mobilya is as follows:

İdealtepe Mahallesi Rıfki Tongsir Caddesi No:107/ Küçükyalı, Maltepe/İstanbul

The Company is carried out its production activities in its own factories and registered addres of the factories are as follows:

- Doğanlı Köyü 9. km Düzce
- İdriskoru Köyü Hacıvenez Mevkii No: 29 Biga Çanakkale

Doğanlar Mobilya is subject to regulations of the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BİST") since 1990 with the code "DGNMO". As of 30 June 2023, 50,08% of the Company's shares are publicly traded (31 December 2022: 50,61%).



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

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30 JUNE 2023**

(Amounts are expressed in ("TL.") unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS (continued)

As of 30 June 2023 and 31 December 2022, the partnership status of Doğanlar Furniture Grubu İmalat Sanayi ve Ticaret A.Ş. is as follows:

	30 June 2023		31 December 2022	
	%	TL	%	TL
Doğanlar Yatırım Holding A.Ş.	49,88	174.569.553	49,3	172.558.396
Other	50,12	175.430.447	50,7	177.441.604
	100	350.000.000	100	350.000.000

As of 30 June 2023, the current issued paid-in share capital of the Group is amounting to TL 350.000.000 (31 December 2022: TL 350.000.000). However, the proportion amounting to TL 159.069.767 is arising from business combination between Doğ-Taş Doğanlar Mobilya İmalat Enerji Üretim Sanayi A.Ş. and Kelebek Mobilya Sanayi ve Ticaret A.Ş.

Subsidiaries

The subsidiary of the Company, 3K Mobilya Dekorasyon San. ve Tic. A.Ş. ("3K"), was established on 2006. 3K's business activities include ensuring chain of sales stores for selling furniture and commercial products. The Company closed the stores (8 stores) owned by 3K, its subsidiary, by transferring them to dealers in 2013. The production activities of the Company's other subsidiary, 2K Oturma Grupları İnşaat Taahhüt Sanayi ve Ticaret A.Ş., were terminated as of 28 March 2007 and the production workshop was closed.

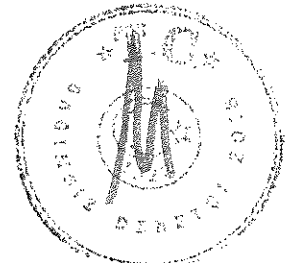
The subsidiary of the Company, Doğtaş Mobilya Pazarlama Ticaret A.Ş. ("Doğtaş Pazarlama") was established on 1996. Doğtaş Pazarlama's business activities include selling and marketing furniture and sofa groups and commercial products produced by Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş., with branches it has opened throughout Turkey. As of 30 June 2023, Doğtaş Pazarlama does not have any branches operating in Turkey (31 December 2022: None).

The subsidiary of the Company, Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti ("Doğtaş Kıbrıs"), was established on 4 June 2021 in accordance with the Cyprus Companies Law Chapter 113 and Article numbered 15-(1). Doğtaş Kıbrıs established for selling and marketing furniture and commercial products of Doğanlar Mobilya, in order to manage overseas retail sales activities more effectively. As of 30 June 2023, Doğtaş Kıbrıs has a branch in Cyprus.

The subsidiary of the Company, Doğtaş Kelebek Mobilya Senegal Ltd.Şti. ("Doğtaş Senegal") was established on 27 April 2021 in Senegal. Doğtaş Senegal established for selling and marketing furniture and commercial products of Doğanlar Mobilya, in order to manage overseas retail sales activities more effectively. As of 30 June 2023, Doğtaş Senegal has a branch in Senegal.

The subsidiary of the Company, Doğtaş Furniture USA INC. was established in New Jersey, United States in accordance with the decision of the Board of Directors on 28 July 2021. Doğtaş Furniture established for selling and marketing furniture and commercial products of Doğanlar Mobilya, in order to manage overseas retail sales activities more effectively.

The subsidiary of the Company, Kelebek Furniture UK Ltd. was established in England in accordance with the decision of the Board of Directors on 28 April 2022. Kelebek Furniture established for selling and marketing furniture and commercial products of Doğanlar Mobilya, in order to manage overseas retail sales activities more effectively.



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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30 JUNE 2023

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS (continued)

As of 30 June 2023 and 31 December 2022, the subsidiaries ("Subsidiaries") included in the consolidation scope of Doğanlar Mobilya, their country of incorporation, nature of business and their respective business segments are as follows:

Subsidiaries	Country of incorporation	Nature of business	Functional currency	Effective ownership interest held by Doğanlar Mobilya (%)	
				30 June 2023	31 December 2022
Doğtaş Kelebek Furniture USA INC	United States	Furniture sales and marketing	USD	100	100
Kelebek Furniture UK Limited	England	Furniture sales and marketing	GBP	100	100
Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti.	Cyprus	Furniture sales and marketing	TL	99	99
Doğtaş Kelebek Mobilya Senegal Sarl	Senegal	Furniture sales and marketing	XAF	100	100
Doğtaş Mobilya Pazarlama Ticaret A.Ş. ("Doğtaş Pazarlama")	Turkey	Furniture sales and marketing	TL	100	100
Doğtaş Bulgaria Eood ("Doğtaş Bulgaria")	Bulgaria	Furniture sales and marketing	BGN	100	100
Doğtaş Holland B.V. ("Doğtaş Holland")	Netherlands	Furniture sales and marketing	EUR	100	100
Doğtaş Germany GmbH ("Doğtaş Germany")	Germany	Furniture sales and marketing	EUR	100	100
2K Oturma Grupları İnşaat ve Taahhüt San. ve Tic. A.Ş. ("2K")	Turkey	Home furniture and living room sitting group sales	TL	100	100
3K Mobilya Dekor. San. ve Tic. A.Ş. ("3K")	Turkey	Furniture design and decoration	TL	100	100

The subsidiaries of the Company, Doğtaş Germany, Doğtaş Holland and Doğtaş Bulgaria, are not included in the scope of consolidation since they are immaterial to the accompanying consolidated financial statements. These subsidiaries are recognised as equity instruments at fair value through other comprehensive income in the accompanying consolidated financial statements.

Total end of period and average number of personnel employed by Doğanlar Mobilya and its subsidiaries (together referred to as "Group") are 2.634 (31 December 2022: 2.390).

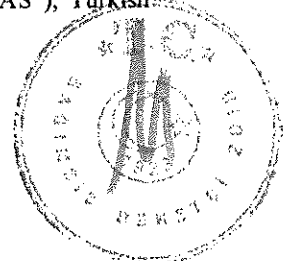
NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Accounting policies used in the preparation of consolidated financial statements are summarised below:

2.1 Basis of Presentation

(a) Statement of Compliance with Turkish Financial Reporting Standards ("TFRS")

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") 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. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS



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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30 JUNE 2023

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

The accompanying consolidated financial statements are presented in accordance with the "Announcement regarding to TAS Taxonomy" which was published by POA and the format and mandatory information recommended by CMB.

Doğanlar Mobilya Grubu and its subsidiaries maintain their books of account and prepare their statutory financial statements in Turkish Lira in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Foreign Subsidiaries maintain their books of account and functional currency in accordance with the laws and regulations in force in the countries in which they are registered.

The Group applied TFRS 16 "Leases" standard on 1 January 2019 initially in the accompanying consolidated financial statements. For leases that were previously classified as operating leases in accordance with TAS 17, the right of use assets are accounted for at an amount equal to the lease liabilities (adjusted for the amount of prepaid or accrued lease payments) within the scope of simplified transition application in the related standard. as of 1 January 2019.

Approval of the consolidated financial statements

These consolidated financial statements as of and for the year ended 30 June 2023 have been approved for issue by the Board of Directors ("BOD") on 17 August 2023 and have signed by the Chairman of the Board. These consolidated financial statements will be finalised following their approval in the General Assembly. Related authorized entities have a right to request the change the consolidated financial statements.

b) Measurement basis

These consolidated financial statements have been prepared under the historical cost conversion except for the revaluations related to the land, buildings, plant, machinery and equipment and investment properties presented at fair values. The historical cost has been determined for the fair value of the amount paid for the assets considered as the basis in the accompanying consolidated financial statements.

c) Preparation of Financial Statements in Hyperinflationary Periods

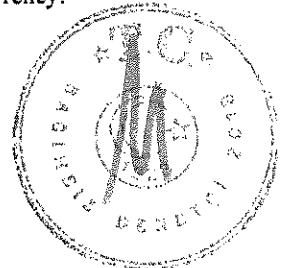
CMB, with its resolution dated 17 March 2005 numbered 11/367 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards, effective 1 January 2005, will not be subject to the application of inflationary accounting. Consequently, in the accompanying financial statements ("TAS 29") "Financial Reporting in Hyperinflationary Economies" has not been applied since 1 January 2005.

d) Functional and reporting currency

Except for the subsidiaries operating abroad, subsidiaries included in the scope of consolidation maintain their books of account and prepare their statutory financial statements in Turkish Lira in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Items included in the financial statements of the Group and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in TL, which is Doğanlar Mobilya's functional and presentation currency.

The functional and reporting currencies of the subsidiaries are summarised in Note 1.



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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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(Amounts are expressed in ("TL") unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

2.1 Basis of Presentation (continued)

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company, and its subsidiaries as at 30 June 2023. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

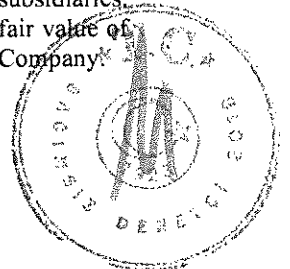
Each item of profit or loss and other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to align with the Group accounting policies and the Group's accounting policies.

All significant intra-group transactions and balances between Doğanlar Mobilya and its consolidated subsidiaries are eliminated.

Changes in the Group's ownership interests in subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.



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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30 JUNE 2023

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.1 Basis of Presentation (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to retained earnings of equity as specified/permitted by applicable TFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 ("Financial Instruments"), when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2 Changes in Accounting Policies

If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively. The Group has determined reclassifications or applied changes in accounting policies in the assumptions and significant accounting estimates used in the preparation of the consolidated financial statements as of 30 June 2023.

Reclassifications of prior period

The balance of D-Afric Senegal Furniture S.A. in the customers of the Group for the period 31.12.2022 has been reclassified to other receivables from related parties and trade receivables from related parties. This classification has no effect on equity items.

2.3 New and Revised Turkish Financial Reporting Standards

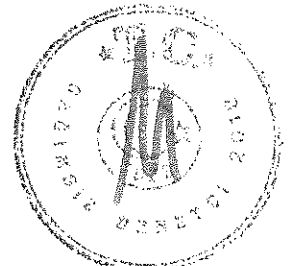
The accounting policies has been applied with used in the preparation of the condensed consolidated financial statements for the interim period ended 30 June 2023 are consistent with those used in the previous year, except for the new and amended Turkish Accounting Standards ("TAS")/TFRS and TAS/TFRS interpretations valid as of 1 January 2023, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2023

TAS 1 Amendments - Classification of liabilities as short-term and long-term

In January 2021, POA made changes to the "TAS 1 Presentation of Financial Statements" standard. These amendments, which are effective for the annual reporting periods beginning on or after January 1, 2023, clarify the criteria for long and short term classification of liabilities. Changes made should be applied retrospectively according to TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Early application is permitted.

The effects of the said change on the financial position and performance of the Group are being evaluated.



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(Amounts are expressed in ("TL") unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

2.3 New and Revised Turkish Financial Reporting Standards (continued)

TAS 8 Amendments – Definition of Accounting Estimates

In August 2021, POA published amendments to TAS 8 that introduce a new definition for "accounting forecasts". The amendments published for TAS 8 are valid for annual accounting periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, the amended standard clarifies that the effects of a change in input or a change in a measurement technique on the accounting estimate are changes in accounting estimates unless they result from a correction for prior period errors. The previous definition of change in accounting estimate indicated that changes in accounting estimates could result from new information or new developments. Therefore, such changes are not considered as corrections of errors. This aspect of the definition has been preserved by the UPS. The amendments will apply to changes in accounting estimates or accounting policies that occur on or after the effective date, and early application is permitted.

Generally speaking, it does not expect a material impact on the Group's financial statements.

TAS 12 Amendments – Deferred Tax on assets and liabilities arising from a single transaction

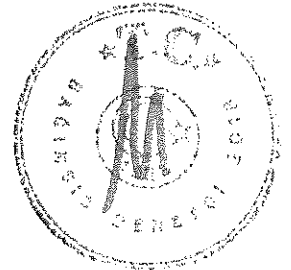
In August 2021, POA published amendments to TAS 12 that narrows the scope of the initial recognition exemption and thus ensures that the exemption is not applied to transactions that result in equal taxable and deductible temporary differences. Amendments to TAS 12 are valid for annual accounting periods beginning on or after 1 January 2023. The amendments clarify that where payments made on a liability are tax deductible, it is a matter of judgment whether such reductions are attributable to the recognized liability (and interest expense) or related asset component (and interest expense) for tax purposes. This judgment is important in determining whether there is any temporary difference in initial recognition of the asset and liability. Changes apply to transactions that occur at or after the beginning of the earliest period presented comparatively. In addition, at the beginning of the earliest comparatively presented period, deferred tax asset (provided there is sufficient taxable income) and deferred tax liability are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar liabilities. It is not expected to have a material impact on the Group's financial statements.

Standards and amendments published but not yet effective as of 30 June 2023:

The new standards, interpretations and amendments published as of the approval date of the consolidated financial statements but not yet effective for the current reporting period and not early adopted by the Group are as follows. Unless stated otherwise, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations become effective.

TAS 1 Amendments - Long-term obligations as contractual terms

Effective for annual reporting periods beginning on or after 1 January 2024. These changes clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability.



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

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30
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(Amounts are expressed in ("TL") unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

2.3 New and Revised Turkish Financial Reporting Standards (continued)

TAS 7 and TFRS 7 Amendments – Supplier Financing Agreements

Effective for annual reporting periods beginning on or after 1 January 2024. These changes require disclosure to increase transparency about the effects of supplier financing agreements and businesses' liabilities, cash flows and liquidity risks. Disclosure requirements are the IASB's response to investors' concerns that some companies' supplier financing agreements are not clear enough, hindering investor analysis.

TFRS 16 Amendments - Sale and leaseback transactions

Effective for annual reporting periods beginning on or after 1 January 2024. These changes include the sale and leaseback requirements in IFRS 16 that describe how an entity accounts for a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

TSRS 1 - General Provisions on Disclosure of Sustainability-Related Financial Information

Effective for annual reporting periods beginning on or after 1 January 2024. This is subject to approval of standards by local laws or regulations. This standard contains the basic framework for disclosing all serious sustainability risks and opportunities a company is exposed to in its value chain.

TSRS 2 - Climate related disclosures

Effective for annual reporting periods beginning on or after 1 January 2024. This is subject to approval of standards by local laws or regulations. This standard is the first to set companies' disclosure requirements about climate-related risks and opportunities.

2.4 Summary of Significant Accounting Policies

a) Inventories

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale (net realizable value). Cost elements included in inventory are purchasing costs and other costs necessary to prepare the asset for its intended use. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods.

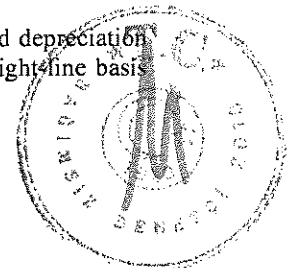
The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Impairment on inventories are accounted for cost of sales in the accompanying consolidated financial statements.

b) Property, plant and equipment

Property, plant and equipment including land, land improvements, plant, machinery and equipment are carried at fair value in accordance with the estimates arising from revaluation less accumulated depreciation and impairment, if any. The aforementioned determination of property, plant and equipment is vary between 3 – 5 years.

As of the commencement date of revaluation, the accumulated depreciation of the property, plant and equipment subject to the revaluation is offset from the cost of the related asset and carried at the net book value in the subsequent periods.

Except for abovementioned property, plant and equipment are carried at cost less accumulated depreciation and impairment, if any. Depreciation is provided for property, plant and equipment on a straight-line basis



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over their estimated useful lives

2.4 Summary of Significant Accounting Policies (continued)

b) Property, plant and equipment (continued)

Revaluation surplus in the carried values of land, land improvements, plant, machinery and equipment as a result of revaluation are accounted for "revaluation surplus" account under equity are also credited to the consolidated balance sheet.

Decreases corresponding to the revaluation surplus in the prior period of the relevant property, plant and equipment are deducted from the revaluation surplus and all other decreases are reflected to the consolidated statement of profit or loss.

Each reporting period, the difference between the depreciation calculated over the revaluation and the depreciation over cost before revaluation is transferred from the accumulated losses to the revaluation surplus account. Similarly, these policies are applied for cash outflows from property, plant and equipment.

Buildings, land improvements and plant, machinery and equipment are capitalized and depreciated when their capacity is fully available for use and their physical distinct will meet the determined production capacity. Land is not depreciated as it is deemed to have an indefinite useful life.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Land improvements and buildings	15 - 50 years
Plant, machinery and equipment	5 - 28 years
Furniture and fixtures	2 - 15 years
Motor vehicles	4 - 5 years
Leasehold improvements	4 - 5 years

Economic useful lives are constantly reviewed and necessary adjustments are presented in the relevant reporting periods in the accompanying consolidated financial statements.

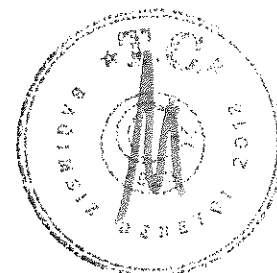
The cost of an item of property, plant and equipment comprises:

-its purchase price including import duties, non-refundable purchase taxes, after deducting trade discounts and rebates

-any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Examples of these costs are: costs of site preparation, professional fees, initial delivery and handling, installation and assembly, etc.,

-the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

- Initial delivery costs
- Installation and assembly costs
- Professional fees
- Capitalised borrowing costs



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2.4 Summary of Significant Accounting Policies (continued)

b) Property, plant and equipment (continued)

Any subsequent expenditure to be recognised as an asset, there must be additional probable future economic benefit associated with this subsequent expenditure that will flow to the entity and if measured reliably included in the carrying amount of the related asset or, where appropriate, accounted for as a separate asset. The parts being replaced must be derecognised. All other borrowing costs and maintenance and repair expenses are associated with profit or loss in the period which they incurred.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell. The value in use is determined by adding the residual values to the discounted amounts as of the balance sheet date of the estimated cash flows to be obtained in the future by continuing to use the relevant asset.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period. Gains or losses on disposals of property, plant and equipment from revaluation, any property, plant and equipment revaluation surplus related to the disposed property are transferred to retained earnings/losses.

c) Intangible assets

Intangible assets are initially recognised at acquisition cost less impairment in the accompanying consolidated financial statements. Intangible assets are capitalised if the future economic benefits from the intangible assets will be probable and the cost can be measured reliably. Cost of intangible assets includes acquisition cost and amortized over 2 to 5 years on a straight-line basis over their estimated useful lives.

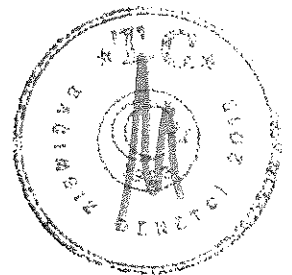
Intangible assets include the brand value arising from the business combination.

Brand value of Kelebek

Doğ-taş Doğanlar Mobilya İmalat Enerji Üretim Sanayi ve Ticaret A.Ş. was acquired 67% of Kelebek Mobilya Sanayi ve Ticaret A.Ş.'s shares on 6 September 2012. The brand value of Kelebek acquired with the abovementioned acquisition was carried at fair value on 6 September 2012 in accordance with TFRS 3 "Business combinations" standard. There is no legal use on restriction for the brand and not depreciated as it is deemed to have an indefinite useful life in the accompanying consolidated financial statements. The brand value is tested for impairment annually and there has been no impairment incurred on brand during the period.

d) Determination of fair value

The Group's various accounting policies and disclosures require determining the fair values of both financial and non-financial assets and liabilities. Fair values are determined by the following methods for measurement and/or disclosure purposes. If applicable, additional information on the assumptions used in determining fair values is presented in the asset or liability-specific notes.



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2.4 Summary of Significant Accounting Policies (continued)

e) Trade and other receivables

The fair values of trade and other receivables are estimated as the value to be found by discounting the future cash flows with the market interest rates at the measurement date. Short-term receivables without a specific interest rate are valued at the original invoice amount if the discount effect is not significant. These fair values are determined at initial recognition and at the end of each reporting period for disclosure purposes.

f) Taxes on income

Taxes include current period income tax liabilities and deferred tax liabilities. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. The measurement reflects the entity's expectations, at the end of the reporting period, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled.

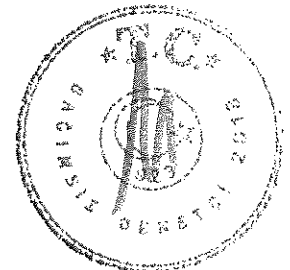
Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

The Group takes into account whether the Group has the uncertain tax position and the surcharge has to be paid and the tax liability while it determines the current tax expense and delayed tax expense. The assessment might include judgments about future events and is based on estimates and assumptions. In case there exists new information about the adequacy of the Group's current tax liability which will cause a change in the professional judgment; this change will affect the period which the situation emerges.

g) Other non-derivative financial liabilities

The fair values of other non-derivative financial liabilities are determined at initial recognition and at the end of each reporting period for disclosure purposes. Fair value is calculated by discounting future principal and interest cash flows to present value with market interest rates at the measurement date.



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2.4 Summary of Significant Accounting Policies (continued)

h) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

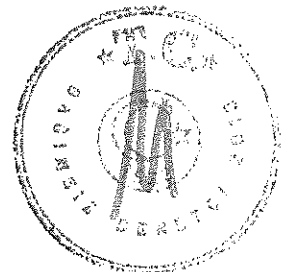
i) Related parties

Related parties are individuals or entities that are related to the entity that is preparing its financial statements (reporting entity).

a) An individual or a close family member is considered related party of the reporting entity when the following criteria are met:

If a certain individual,

- i) Has control or joint control over the reporting entity,
- ii) Has significant influence over the reporting entity,
- iii) Is a key management personnel of the reporting entity or a parent company of the reporting entity. b) An entity is considered related party of the reporting entity when the following criteria are met:
 - i) If the entity and the reporting entity is within the same group (meaning every parent company, subsidiary and other subsidiaries are considered related parties of others.
 - ii) If the reporting entity is a subsidiary or a joint venture of another entity (or of another entity that the entity is within the same group).
 - iii) If both of the entities are a joint venture of a third party.
 - iv) If one of the entities are a joint venture of a third party while the other entity is a subsidiary of this third party.
 - v) If entity has plans of post employment benefits for employees of reporting entity or a related party of a reporting entity. If the reporting entity has its own plans, sponsor employers are also considered as related parties.
 - vi) If the entity is controlled or jointly controlled by an individual defined in the article (a).



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2.4 Summary of Significant Accounting Policies (continued)

i) Related parties (continued)

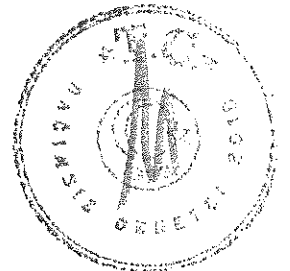
vii) If an individual defined in the clause (i) of article (a) has significant influence over the reporting entity or is a key management personnel of this certain entity (or a parent company of the entity)

Related party transaction is the transfer of resources, services or liabilities regardless of whether a price is charged or not. Transactions can be made with related parties in the ordinary course of business. For the purpose of these consolidated financial statements, shareholders, parents of

Doğanlar Yatırım Holding Grubu A.Ş., key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, subsidiaries and joint ventures are considered and expressed as "related parties". The key management personnel of the Group include members of the Board of Directors, CEO and vice chairman (Note 6).

2.6 Going Concern

The financial statements have been prepared on a going concern basis.



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NOTE 3 - CASH AND CASH EQUIVALENTS

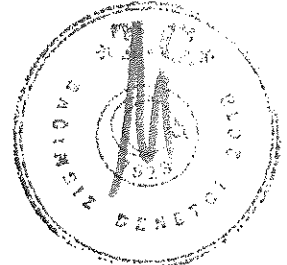
As of 30 June 2023 and 31 December 2022, the functional breakdown of cash and cash equivalents is as follows:

	30 June 2023	31 December 2022
Cash in hand	118.486	58.516
Banks	233.623.872	247.066.988
- Demand deposits	61.312.902	41.970.539
- Term deposit	172.310.970	205.096.449
Other (*)	10.937.843	47.207.786
	244.680.201	294.333.290

(*)As of 30 June 2023 and 31 December 2022, other include receivables from credit card POS system devices.

NOTE 4 - BORROWINGS

	30 June 2023		
	Annual effective interest rate %	Original currency amount	TL equivalent
Short term borrowings:			
TL loans (*)	%10,50 - %24,50	42.373.094	42.373.094
Finance lease payables		45.784.919	45.784.919
Short term financial borrowings, net			88.158.013
Short term lease liabilities			100.200.963
Short term portion of long term borrowings:			
EUR loans	%3,44 - %6,34	1.178.248	33.282.076
USD loans	%4,68 - %7,42	1.520.884	39.403.667
TL loans	%6,47- %32,04	718.048.004	718.048.004
Short term portion of long term borrowings, net			790.733.747
Total short term borrowings, net			979.092.723
EUR loans	%3,44 - %6,34	1.361.881	38.469.194
USD loans	%4,68 - %7,42	3.082.689	79.867.527
TL loans	%6,47- %32,04	263.150.698	263.150.698
Finance lease payables		22.004.376	22.004.376
Long term financial borrowings, net			403.491.795
Long term lease liabilities			331.409.830
Total borrowings, net			1.713.994.348



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

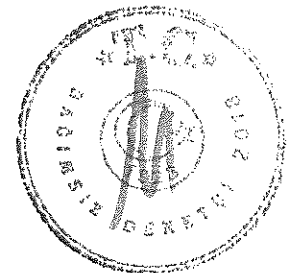
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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NOTE 4 – BORROWINGS (continued)

	31 December 2022		
	Annual effective interest rate %	Original currency amount	TL equivalent
Short term borrowings:			
TL loans (*)	%9,50 - %20,50	79.951.870	79.951.870
Financial lease liabilities		32.579.194	32.579.194
Short term financial borrowings, net			112.531.064
Short term leasing liabilities			70.193.119
Short term portion of long term borrowings:			
EUR loans	%3,44 - %6,18	586.067	11.721.744
USD loans	%4,33 - %8,41	1.541.978	28.927.657
TL loans	%6,47- %26,69	289.013.860	289.013.860
Short term portion of long term borrowings, net			329.663.261
Total short term borrowings, net			512.387.444
EUR loans	%3,44 - %6,18	2.124.324	42.487.968
USD loans	%4,33 - %8,41	3.464.239	64.989.471
TL loans	%6,47- %26,69	316.569.054	316.569.054
Financial lease liabilities		25.596.179	25.596.179
Long term financial borrowings, net			449.642.672
Long term lease liabilities			214.845.214
Total borrowings, net			1.176.875.330

As of 30 June 2023 and 31 December 2022, borrowings are secured by collateral and the Group has no mortgages on property, plant and equipment.



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NOTE 4 – BORROWINGS (continued)

As of 30 June 2023 and 2022, the reconciling the balances of borrowings arising from the Group's financing activities is as follows:

	30 June 2023	30 June 2022
Beginning of the period – 1 January	891.836.997	656.215.328
Additions	618.082.068	925.803.943
Payments during the period	(308.993.590)	(866.349.700)
Interest accruals	7.199.919	2.682.838
Changes in foreign exchange rates, net	74.258.161	52.888.633
End of the period – 31 December	1.282.383.555	771.241.042

The foreign exchange, interest and liquidity risk analysis of borrowings are disclosed in Note 12.

The functional breakdown and detailed analysis of lease liabilities are as follows:

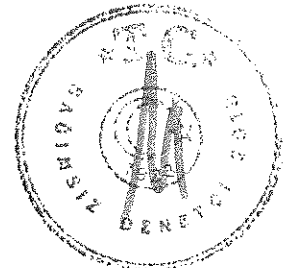
Lease liabilities:

	Present value of minimum lease payments	
	30.06.2023	31.12.2022
Up to 1 year	100.200.963	70.193.119
Less: Long term financial expenses	-	-
Net present value of lease liabilities	100.200.963	70.193.119
2 years and over	331.409.830	214.845.214
Less: Long term financial expenses	-	-
Net present value of lease liabilities	331.409.830	214.845.214
Total lease liabilities, net	431.610.793	285.038.333

The Group's lease liabilities represents the net present value of future obligations for the stores, motor vehicles and buildings leased from third parties during the estimated useful lives of the relevant asset.

As of 30 June 2023 and 31 December 2022, repayment schedule of borrowings is as follows:

	30 June 2023	31 December 2022
Up to 3 months	182.093.884	177.382.357
3-12 months	796.998.839	335.005.086
1-5 years	734.901.625	664.487.887
	1.713.994.348	1.176.875.330



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NOTE 5 – TRADE RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Trade receivables	575.623.509	413.883.299
-Related parties (Note 6)	37.680.254	7.816.699
-Third parties	537.943.255	406.066.600
Customers	335.682.312	251.649.932
Notes receivables	211.240.752	159.984.420
Doubtful trade receivables	40.831.060	40.726.826
Provision for doubtful trade receivables (-)	(40.831.060)	(40.726.826)
Deferred finance income (-)	(8.979.809)	(5.567.752)
Trade receivables, net	575.623.509	413.883.299

Annual effective interest rate on deferred finance income is 25% (31 December 2022: 22%).

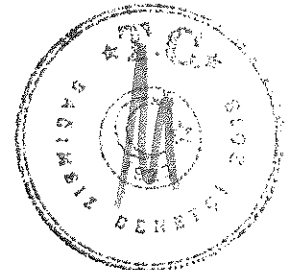
The movement of doubtful receivables is as follows:

	30.06.2023	30.06.2022
Beginning of the period – 1 January	40.726.826	38.216.720
Additions	-	121.508
Exchange different	2.062.642	1.922.508
Reversals	(1.958.408)	(591.051)
	40.831.060	39.669.685

As of 30 June 2023 and 31 December 2022, trade payables is as follows:

	30 June 2023	31 December 2022
Trade payables	1.107.919.210	985.168.142
-Third parties	1.107.919.210	985.168.142
Suppliers	571.078.178	457.243.899
Notes payable	620.516.857	590.664.851
Deferred financing costs (-)	(83.675.825)	(62.740.608)
Trade payables, net	1.107.919.210	985.168.142

Annual effective interest rate on deferred financing costs is 25% (31 December 2022: 22%).



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NOTE 6 – RELATED PARTY DISCLOSURES

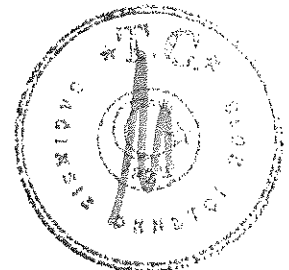
Intercompany transactions and balances, profits, unrealized gains and losses with subsidiaries and related parties are offset from the statutory records for the basis of consolidation. Therefore, they are not included in the related party disclosures.

a) As of 30 June 2023 and 31 December 2022, related party balances are as follows:

	30 June 2023	31 December 2022
Trade receivables due from related parties		
Biotrend Çevre Ve Enerji Yatırımlar A.Ş.	192.086	2.494.909
D-Afric Senegal Furniture S.A.	37.488.168	5.321.790
Doubtful trade receivables from related parties	2.081.900	1.474.641
Provision for doubtful trade receivables from related parties (-)	(2.081.900)	(1.474.641)
	37.680.254	7.816.699
	30 June 2023	31 December 2022
Other receivables due from related parties		
Shareholders	3.075.546	6.415.911
D-Afric Senegal Furniture S.A.	173.226.229	529.231
Doğanlar Yatırım Holding A.Ş.	4.619.578	79.217
	180.921.353	7.024.359
	30 June 2023	31 December 2022
Other payables due to related parties		
Korad G.Menkul Yat.İnş.A.Ş.	93.473	14.050
	93.473	14.050

b) As of 30 June 2023 and 2022, the functional breakdown of sales to related parties is as follows:

	January 01 - June 30, 2023	April 01 - June 30, 2023	January 01 - June 30, 2022	April 01 - June 30, 2022
Sales to related parties				
Doğanlar Yatırım Holding A.Ş.	453.257	453.257	1.429.802	699.825
D-Afric Senegal Furniture S.A.	24.422.835	17.833.768		
Biotrend Çevre ve Enerji Yatırımları	306.139	306.139	685.838	531.783
Shareholders	100	--	--	--
Other	--	--	--	--
	25.182.331	18.593.164	2.115.640	1.231.608



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NOTE 6 – RELATED PARTY DISCLOSURES (continued)

- c) As of 30 June 2023 and 2022, the functional breakdown of purchases from related parties is as follows:

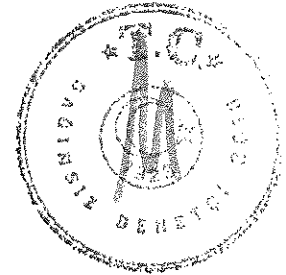
	January 01 - April 01 - June 30, 2023	June 30, 2023	January 01 - April 01 - June 30, 2022	June 30, 2022
Purchases from related parties				
Doğanlar Yatırım Holding A.Ş. (*)	5.529.141	4.513.172	10.324.107	6.985.112
Biotrend Çevre ve Enerji Yatırımları	747.186	747.186	114.428	57.101
Korad Gayrimenkul Yatırım İnş. A.Ş.	446.696	231.561	196.497	112.439
Other	--	--	--	--
	6.723.023	5.491.919	10.635.032	7.154.652

	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Interest from related parties				
Doğanlar Yatırım Holding A.Ş.	5.132.900	2.503.739	1.105.253	512.781
	5.132.900	2.503.739	1.105.253	512.781

- d) As of 30 June 2023 and 2022, the functional breakdown of key management compensation is as follows:

	30 June 2023	30 June 2022
Employee and termination benefits	43.597.248	16.119.720
	43.597.248	16.119.720

As of 30 June 2023 and 2022, key management personnel are those persons having authority and responsibility for the benefits provided to the members of the board of directors and key management personnel (the key management personnel includes the general manager and assistant general managers) are short-term employee benefits and include wages, salaries, premiums, termination benefits and other benefits. As of 30 June 2023 and 2022, key management compensation does not include post-employment benefits, other long-term benefits and share-based payment benefits.



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NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	30 June 2023	31 December 2022
Other receivables	207.973.501	26.129.960
-Related parties (Note 6)	27.052.148	19.105.601
- Third parties	180.921.353	7.024.359
Deposits and guarantees given	5.235.479	3.927.206
Doubtful other receivables	4.869.068	2.237.908
Provision for doubtful other receivables (-)	(4.869.068)	(2.237.908)
Receivables from tax Office (*)	20.409.463	14.328.979
Receivables from personnel	1.391.247	831.587
Other	15.959	17.829
Other receivables, net	207.973.501	26.129.960

(*)Receivables from tax office consist of refundable VAT.

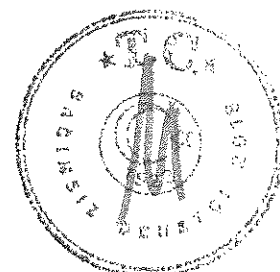
The movement of doubtful receivables is as follows:

	30.06.2023	30.06.2022
Beginning of the period – 1 January	2.237.908	1.607.646
Additions (Note. 14)	2.631.160	1.431.486
Reversals (Note. 14)	--	--
	4.869.068	3.039.132

	30 June 2023	31 December 2022
Long term other receivables		
Deposits and guarantees given	9.096.957	6.923.764
Other (*)	33.675.993	33.275.002
	42.772.950	40.198.766

	30 June 2023	31 December 2022
Short term other payables		
Other payables	6.884.447	5.920.904
-Related parties (Note 6)	93.473	14.050
-Third parties	6.790.974	5.906.854
Taxes payable	5.918.772	5.344.031
Other	872.202	562.823
	6.884.447	5.920.904

	30 June 2023	31 December 2022
Long term other payables		
-Third parties	9.524.326	4.807.513
Deposits and guarantees received	9.524.326	4.807.513
	9.524.326	4.807.513



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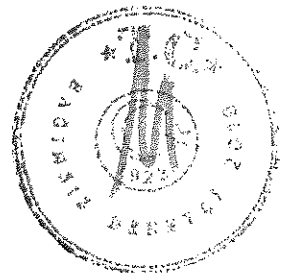
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 8 - INVENTORIES

	30 June 2023	31 December 2022
Raw materials and supplies	447.375.171	384.954.282
Semi finished goods	77.572.349	53.757.096
Goods	258.532.889	186.852.040
Merchandise	313.429.314	258.030.035
Provision for inventory impairment (-)(*)	(393.928)	(393.928)
	1.096.515.795	883.199.525

There has been no inventories given as collateral against liabilities.

(*) Accordance TAS 2 Inventories provision for inventory impairments, accounted in Cost of Sales



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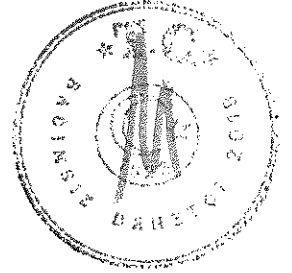
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

	Land	Land improvements and buildings	Plant, Machinery and Equipment	Motor Vehicles	Furniture and Fixtures	Leasehold Improvements	Constructions in Progress	Total
Cost								
Opening balance - 1 January 2023	194.092.874	461.564.533	274.046.614	13.358.201	166.546.890	280.526.812	41.526.319	1.431.662.243
Additions	--	27.614.662	27.803.710	981.080	55.800.944	54.009.835	14.170.346	180.380.577
Foreign currency conversion difference	--	--	--	1.403.878	53.607	2.803.985	--	4.261.470
Disposals	--	(33.251)	(723.697)	(254.237)	(830.096)	(13.804.191)	--	(15.645.472)
Closing balance - 30 June 2023	194.092.874	489.145.944	301.126.627	15.488.922	221.571.345	323.536.441	55.696.665	1.600.658.818
Accumulated depreciation								
Opening balance - 1 January 2023	--	(54.130.407)	(95.282.161)	(4.240.698)	(78.471.699)	(91.845.257)	--	(323.970.222)
Current period depreciation	--	(10.778.584)	(14.786.660)	(1.412.438)	(11.371.973)	(22.427.615)	--	(60.777.270)
Currency translation differences	--	--	--	(377.316)	--	(404.702)	--	(782.018)
Disposals	--	33.251	722.456	168.911	182.494	3.154.406	--	4.261.518
Closing balance - 30 June 2023	--	(64.875.740)	(109.346.365)	(5.861.541)	(89.661.178)	(111.523.168)	--	(381.267.992)
Net book value, 30 June 2023	194.092.874	424.270.204	191.780.262	9.627.381	131.910.167	212.013.273	55.696.665	1.219.390.826

In accordance with the loans for financing the operations of the Group, the Group has mortgages amounting to EUR 30.000.000 equivalent of TL 300.000.000 on property, plant and equipment.

As of 30 June 2023, total insurance coverage on property, plant and equipment is amounting to TL 1.491.322.089 (31 December 2022: TL 644.197.409).



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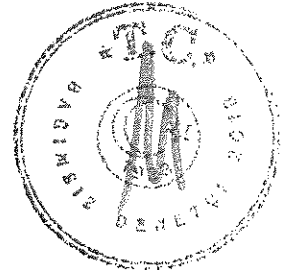
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NOTE 9 – PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

	Land	Land improvements and buildings	Plant, Machinery and Equipment	Motor Vehicles	Furniture and Fixtures	Leasehold Improvements	Constructions in Progress	Total
Cost								
Opening balance - 1 January 2022	98.241.604	272.625.644	160.478.093	9.114.426	102.993.197	159.061.816	3.134.562	805.649.342
Additions	-	8.206.053	62.730.900	214.498	21.003.027	58.990.007	9.770.877	160.915.362
Currency translation differences	-	-	-	-	-	-	355.812	355.812
Disposals	-	-	(959.269)	-	(875.227)	(3.608.569)	-	(5.443.064)
Closing balance – 30 June 2022	98.241.604	280.831.697	222.249.724	9.328.924	123.120.997	214.443.255	13.261.251	961.477.452
Accumulated depreciation								
Opening balance - 1 January 2022	-	(40.674.048)	(78.111.386)	(1.688.250)	(66.583.658)	(64.073.771)	-	(251.131.113)
Current period depreciation	-	(6.405.160)	(8.130.426)	(888.746)	(5.882.833)	(14.977.587)	-	(36.284.752)
Disposals	-	-	903.065	-	440.346	984.268	-	2.327.679
Closing balance – 30 June 2022	-	(47.079.208)	(85.338.747)	(2.576.996)	(72.026.145)	(78.067.090)	-	(285.088.186)
Impairment of Fixed Assets								
Opening balance, 1 January 2022	-	(17.304)	(2.023.645)	-	(7.106)	-	-	(2.048.055)
Current period impairment	-	-	-	-	-	-	-	-
30 June 2022 Closing balance	-	(17.304)	(2.023.645)	-	(7.106)	-	-	(2.048.055)
Net book value, 30 June 2022	98.241.604	233.735.185	134.887.332	6.751.928	51.087.746	136.376.165	13.261.251	674.341.211



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NOTE 10 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Short term provisions

As of 30 June 2023 and 31 December 2022, the functional breakdown of short term provisions is as follows:

	30 June 2023	31 December 2022
Provision for warranty	13.019.652	10.704.069
Provision for lawsuits	13.504.749	10.211.559
Provision for unused vacation	25.446.590	20.947.521
	51.970.991	41.863.149

Long term provisions

	30 June 2023	31 December 2022
Provision for warranty	3.288.273	2.668.874
Provision for severance pay	23.976.133	50.960.335
	27.264.406	53.629.209

Contingent liabilities and contingent assets

As of 30 June 2023 and 31 December 2022, the functional breakdown of guarantees and mortgages is as follows:

Guarantees given

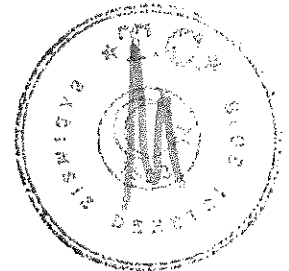
	30 June 2023	31 December 2022
Mortgages given (*)	1.212.120.000	963.948.000
Letters of guarantee given to public institutions (**)	445.380.409	397.695.323
Letters of guarantee given to customers	30.652.159	22.626.321
Letters of guarantee given to suppliers	5.095.205	6.420.549
	1.693.247.773	1.390.690.194

(*) Considering the loans used for purchasing financing operations of the Group from financial institutions, the Group has mortgages on property, plant and equipment.

(**) Include letters of guarantee given to Türkiye İhracat Kredi Bankası A.Ş. regarding the loans used for the operations of the Group

Guarantees received

	30 June 2023	31 December 2022
Letters of guarantee received from dealers	307.721.000	237.263.500
Mortgages received from domestic dealers	23.775.000	10.249.037
Mortgages received from dealers abroad	22.501.323	19.975.000
	353.997.323	267.487.537



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NOTE 10 - PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

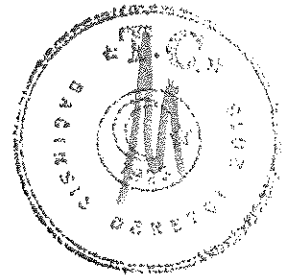
Collaterals/pledges/mortgages/ ("CPM") of the Group as of 30 June 2023 and 31 December 2022 are as follows:

CPM given by the Group	30 June 2023	31 December 2022
A. Total amount of CPM's given in the name of its own legal personality	1.693.247.773	1.390.690.194
B. Total amount of CPM's given on behalf of the fully consolidated companies	--	--
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	1.693.247.773	1.390.690.194

As of 30 June 2023, the Group has pledge to banks against borrowings on 17.251.656.985 number of outstanding shares with a nominal value of TL 0,01. (31 December 2022: pledge to banks against borrowings on 17.251.656.985 number of outstanding shares with a nominal value of TL 0,01).

As of 30 June 2023, the Group has total insurance coverage on property, plant and equipment and inventories amounting to TL 1.491.322.089 and TL 922.206.857 respectively.

As of 30 June 2023, the Group offset endorsed cheques from its borrowings with a carrying amount of TL 52.138.797,96 and presented with a net amount accordingly in the accompanying consolidated financial statements (31 December 2022: TL 59.761.606).



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NOTE 11 – TAX ASSETS AND LIABILITIES

Turkish tax legislation does not permit a parent company to file a consolidated tax return. Therefore, tax liabilities, as reflected in consolidated financial statements, have been calculated on a separate-entity basis. With the 21st article of the Law No. 7456 published on 15 July 2023, the general corporate tax rate determined in the 32nd article of the Corporate Tax Law was increased from 20% to 25%.

Corporate tax rate increases, starting from the declarations that must be submitted as of October 1, 2023; It entered into force on 15 July 2023 to be applied to the earnings of corporations in 2023 and the following taxation periods, and to the earnings of corporations subject to special accounting period, to the special accounting period starting in the 2023 calendar year and the following taxation periods.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years profits. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

As of 30 June 2023 and 31 December 2022, current income tax assets is summarised as follows:

	30 June 2023	31 December 2022
Current income tax liabilities	-	-
Less: Prepaid income tax	1.283.323	1.320.530
Current income tax assets (net)	1.283.323	1.320.530

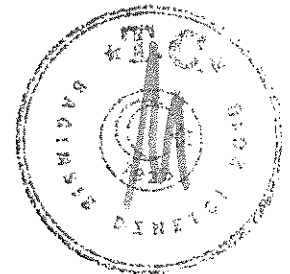
Income tax expenses in the consolidated income statements are summarised as follows:

	01 January- 30 June 2023	01 April - 30 June 2023	01 January- 30 June 2022	01 April - 30 June 2022
Deferred tax income/expense (net)	(2.588.876)	4.100.440	7.680.625	40.020
Tax income/(expense)	(2.588.876)	4.100.440	7.680.625	40.020

Deferred tax

The deferred tax assets and liabilities are based on the temporary differences, which arise between the consolidated financial statements prepared according to TAS/IFRS's accounting standards and statutory tax financial statements. These differences are usually due to the initial recognition of revenue and expenses in different reporting periods except goodwill for the TAS/IFRS standards and tax purposes.

As of 30 June 2023 and 31 December 2022, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:



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NOTE 11 – TAX ASSETS AND LIABILITIES (continued)

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Deferred tax assets:				
Unused financial losses	53.315	53.315	13.329	12.529
Investments incentives	177.825.328	252.949.673	44.456.332	50.589.935
Cash capital discount	10.901.302	10.901.302	2.725.326	2.180.260
Provision for doubtful receivables	37.381.031	34.284.605	9.345.258	6.856.921
Provision for unused vacation	25.446.590	20.947.521	6.361.648	4.189.504
Provision for warranty	16.307.925	13.372.943	4.076.981	2.674.589
Provision for employment termination benefits	23.976.133	50.960.335	5.994.033	10.192.067
Provision for lawsuits	13.504.749	10.211.559	3.376.187	2.042.312
Adjustments for TFRS 16	75.729.773	59.060.663	18.798.255	11.911.987
Provision for inventory impairment	10.939.065	5.070.136	2.294.932	999.410
Adjustments for TAS 21	1.740.131	1.605.067	435.033	321.177
Other	18.635.047	18.859.109	4.658.763	3.771.821
	412.440.388	478.276.228	102.536.076	95.742.511
Deferred tax liabilities:				
Property, plant and equipment and intangible assets	504.827.927	522.055.202	(115.424.656)	(87.241.791)
Effect of periodicity, net	107.926.894	85.391.916	(26.981.722)	(17.078.385)
Other	--	--	--	--
	612.754.820	607.447.118	(142.406.378)	(104.320.176)
Deferred tax assets/liabilities (net)	1.025.195.208	1.085.723.347	(39.870.302)	(8.577.664)

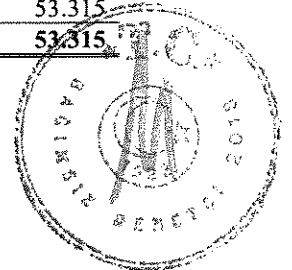
Unused financial losses:

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. A deferred tax asset is recognised for an unused tax loss carryforward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilised.

As of 30 June 2023, the Group has recognised deferred tax asset amounting to TL 53.315 (2022: TL 53.315) over unused financial losses amounting to TL 12.529 (31 December 2022: TL : 12.529)

The redemption schedule of carry forward tax losses which are not considered in deferred tax calculation is as follows:

	30 June 2023	31 December 2022
2023	--	--
2024	--	--
2026	53.315	53.315
	53.315	53.315



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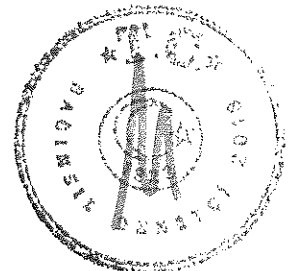
NOTE 11 – TAX ASSETS AND LIABILITIES (continued)

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

	30 June 2023	30 June 2022
Beginning of the period - 1 January	(8.577.664)	(18.235.050)
Charge to the income statement	(2.588.876)	7.680.625
Property, plant and equipment revaluation surplus	(28.931.469)	--
Property, plant and equipment revaluation decrease	(3.699.333)	--
Actuarial gains/losses on employment termination benefits	795.182	--
Gains/losses on hedges	3.131.858	444.694
End of the period - 30 June	(39.870.302)	(10.109.731)

NOTE 12 – REVENUE AND COST OF SALES

	1 January – 30 June 23	1 April – 30 June 23	1 January – 30 June 22	1 April – 30 June 22
Domestic sales	3.092.353.673	1.776.581.497	1.546.320.904	927.560.694
Foreign sales	235.996.130	129.977.519	172.604.598	91.460.333
Other revenue	20.340.421	11.119.045	9.375.016	2.785.880
Sales returns (-)	(25.645.183)	(18.157.665)	(10.343.177)	(4.472.301)
Sales discounts (-)	(710.904.482)	(403.866.245)	(292.169.189)	(171.029.276)
Net sales	2.612.140.559	1.495.654.151	1.425.788.152	846.305.330
Cost of sales	(1.679.953.734)	(956.430.093)	(931.059.585)	(543.423.322)
Gross profit	932.186.825	539.224.058	494.728.567	302.882.008



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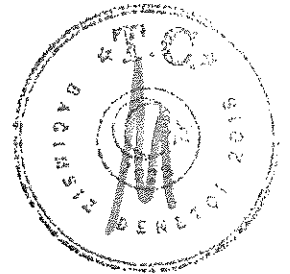
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NOTE 13 – EXPENSES BY NATURE

Marketing, sales and distribution expenses

	January 01 – June 30, 2023	April 01, - June 30, 2023	January 01 – June 30, 2022	April 01, - June 30, 2022
Marketing, sales and distribution expenses				
Depreciation and amortization charges	(64.161.304)	(31.528.627)	(40.938.311)	(20.271.257)
Advertising and promotion expenses	(95.600.970)	(57.870.393)	(51.332.589)	(26.935.315)
Transportation, distribution and storage costs	(133.647.362)	(82.642.685)	(76.375.468)	(45.302.502)
Personnel expenses	(144.492.049)	(74.605.206)	(60.164.206)	(29.708.624)
Other	(21.724.135)	(12.059.655)	(21.871.222)	(13.481.994)
Utility expenses	(13.336.401)	(5.322.143)	(10.230.182)	(4.774.533)
Consultancy expenses	(5.139.056)	(2.873.769)	(1.986.995)	(1.063.803)
Travel expenses	(7.580.781)	(3.287.390)	(3.756.750)	(2.157.240)
Maintenance and repair expenses	(2.499.160)	(1.546.495)	(865.722)	(508.535)
Outsourcing expenses	(34.688.086)	(17.266.119)	(18.173.457)	(10.159.309)
Rent expenses (*)	(19.909.738)	(12.798.387)	(3.401.980)	(1.521.669)
Dealer fees and charges	(1.196.747)	(748.824)	(1.380.835)	(585.420)
Representation and hospitality expenses	(1.123.563)	(659.416)	(493.403)	(311.000)
	(545.099.352)	(303.209.109)	(290.971.120)	(156.781.201)



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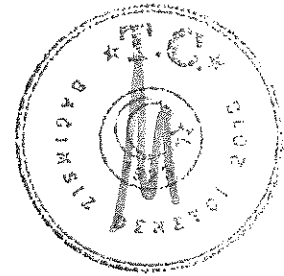
NOTE 13 – EXPENSES BY NATURE (continued)

General administrative expenses

General administrative expenses	1 January – 30 June 2023	1 April – 30 June 2023	1 January – 30 June 2022	1 April – 30 June 2022
Personnel expenses	(63.399.304)	(28.418.132)	(17.282.930)	(13.952.107)
Consultancy and audit expenses	(10.470.128)	(6.912.850)	(4.680.430)	(2.798.865)
Depreciation and amortization charges	(23.650.250)	(14.210.169)	(13.662.543)	(9.089.219)
Case expenses	(3.113.519)	(1.935.235)	(4.195.872)	(2.171.649)
Other	(12.483.890)	(5.459.184)	(5.878.822)	(5.652.942)
Rent expenses	(4.614.679)	(2.087.760)	(3.957.115)	(905.380)
Utility expenses	(1.922.863)	(726.109)	(1.805.205)	(1.028.362)
Travel expenses	(3.822.597)	(2.062.958)	(2.849.541)	(1.802.479)
Food and beverage costs	(1.083.869)	(675.338)	(916.424)	(532.041)
Office expenses	(5.007.800)	(2.856.841)	(1.897.179)	(1.083.673)
Dues expenses	(382.808)	(194.999)	(315.746)	(109.274)
Representation and hospitality expenses	(1.561.512)	(345.098)	(762.260)	(543.700)
	(131.513.219)	(65.884.673)	(58.204.067)	(39.669.691)

Research and development expenses

Research and development expenses	1 January -30 June 2023	1 April -30 June 2023	1 January -30 June 2022	1 April -30 June 2022
Personnel expenses	(16.576.000)	(8.042.508)	(8.570.234)	(3.706.068)
Other	(1.839.166)	(738.663)	(970.426)	(688.605)
Raw materials and supplies	(262.648)	(181.126)	(147.449)	(114.946)
Depreciation and amortization charges	(426.924)	(220.966)	(168.145)	(112.462)
Rent expenses	(438.475)	(220.028)	(462.144)	(209.573)
	(19.543.213)	(9.403.291)	(10.318.398)	(4.831.654)



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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 13 – EXPENSES BY NATURE (continued)

The functional breakdown of personnel expenses and depreciation and amortisation charges is as follows:

Personnel expenses

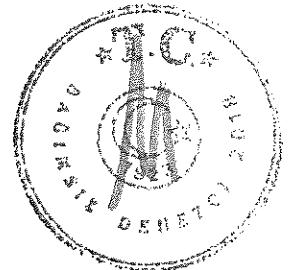
	1 January -30 June 2023	1 April -30 June 2023	1 January - 30 June 2022	1 Nisan -30 June 2022
Personnel expenses				
Cost of sales	(235.430.144)	(104.029.199)	(100.907.845)	(66.694.429)
Marketing, sales and distribution expenses	(144.492.049)	(74.605.206)	(60.164.206)	(29.708.624)
General administrative expenses	(63.399.304)	(28.418.132)	(17.229.505)	(13.898.682)
Research and development expenses	(16.576.000)	(8.042.508)	(8.570.234)	(3.706.068)
	(459.897.497)	(215.095.045)	(186.871.790)	(114.007.803)

Depreciation and amortisation charges

	1 January -30 June 2023	1 April -30 June 2023	1 January -30 June 2022	1 April -30 June 2022
Cost of sales	(17.353.077)	(12.336.267)	(5.633.252)	(2.577.160)
Marketing, sales and distribution expenses	(64.161.304)	(31.528.627)	(40.938.311)	(20.271.257)
General administrative expenses	(23.650.250)	(14.210.169)	(13.662.543)	(9.089.219)
Research and development expenses	(426.924)	(220.966)	(168.145)	(112.462)
	(105.591.555)	(58.296.029)	(60.402.250)	(32.050.097)

NOTE 14 - OTHER OPERATING INCOME AND EXPENSES

	1 January -30 June 2023	1 April -30 June 2023	1 January -30 June 2022	1 April -30 June 2022
Foreign exchange gains	162.858.397	146.910.108	28.246.837	4.941.214
Other	--	--	4.521.357	453.158
Rediscount income (net) (*)	17.523.160	768.615	54.332.060	54.332.060
Provisions no longer required (doubtful receivables)	4.484.036	4.477.903	623.002	623.002
Income arising from insurance claims	--	--	10.795.015	--
Other operating income	184.865.593	152.156.626	98.518.271	60.349.434
Foreign exchange losses	(47.036.009)	(29.653.712)	(17.692.764)	(2.299.883)
Rediscount lösse (net) (*)	--	--	--	5.270.589
Provision for doubtful receivables	(2.631.160)	(2.628.437)	(1.552.994)	(1.552.994)
Provision for lawsuits	(5.818.818)	(5.818.818)	(2.543.056)	(2.543.056)
Maturity and price different losses	(59.424)	(59.424)	(19.607.951)	(19.554.221)
Other	(6.519.556)	(5.613.314)	(3.286.429)	(3.286.429)
Other operating expenses	(67.758.685)	(49.467.423)	(44.683.194)	(23.965.994)
Operating Incomes / (Losses) (net)	117.106.908	102.689.203	53.835.077	36.383.440



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NOTE 15 – FINANCIAL INCOME/ (EXPENSES)

	1 January -30 June 2023	1 April -30 June 2023	1 January -30 June 2022	1 April -30 June 2022
Foreing exchange incomes	69.904.636	26.943.789	17.782.871	6.702.405
Interest incomes	20.416.115	6.548.203	2.232.799	1.208.657
Financial incomes	90.320.751	33.491.992	20.015.670	7.911.062
Foreign exchange expenses	(150.948.587)	(100.088.137)	(65.907.422)	(34.310.626)
Interest expenses	(143.755.935)	(82.886.102)	(101.892.506)	(64.998.244)
Financial expenses	(294.704.522)	(182.974.239)	(167.799.928)	(99.348.348)
Financial incomes / (losses) (net)	(204.383.771)	(149.482.247)	(147.784.258)	(91.437.286)

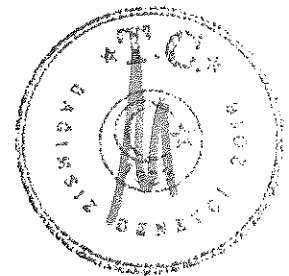
NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

The Group is subject to credit risk arising from trade receivables on term sales and bank deposits.

Except for credit risk of trade receivables, credit risk is managed at the Group level. Before each entity agrees with each new customer on standard payment, delivery terms and times, is responsible for managing and analyzing the credit risk of these customers. Credit risk include cash and cash equivalents and bank deposits, as well as including outstanding receivables and commitments from wholesale and retail customers.

The Group management evaluates the credit quality of its customers considering financial position, past experience and payment performances including other factors. The Group monitors the credit limits in order to avoid any concentration of collection loss on the trade receivable balances of its customers.



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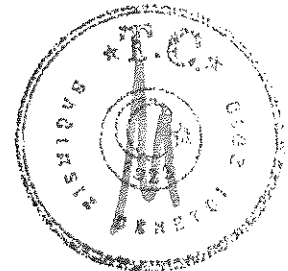
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(continued)

Credit risk (continued)

30 June 2023	Receivables					
	Trade Receivables		Other Receivables		Bank deposits and credit card receivables	Other
	Related Party	Other	Related Party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	37.680.254	537.943.255	180.921.353	69.825.098	244.680.201	--
- Maximum risk, secured with guarantees	--	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets	37.680.254	268.982.007	6.495.128	69.825.098	244.680.201	--
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	--	--	--	--	--	--
C – Net book value of overdue but not impaired financial assets	--	268.961.248	177.845.807	--	--	--
- Maximum risk secured with guarantees etc.	--	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross amount)	2.081.900	40.831.060	--	4.869.068	--	--
- Impairment (-)	(2.081.900)	(40.831.060)	--	(4.869.068)	--	--
E – Off-balance sheet expected credit losses (-)	--	--	--	--	--	--

31 December 2022	Receivables					
	Trade Receivables		Other Receivables		Bank deposits and credit card receivables	Other
	Related Party	Other	Related Party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	7.816.699	406.066.600	7.024.359	59.304.367	294.274.774	--
- Maximum risk, secured with guarantees	--	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets	7.816.699	220.379.360	608.448	59.304.367	294.274.774	--
B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	--	--	--	--	--	--
C – Net book value of overdue but not impaired financial assets	--	185.687.240	6.415.911	--	--	--
- Maximum risk secured with guarantees etc.	--	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross amount)	1.474.641	40.726.826	--	2.237.908	--	--
- Impairment (-)	(1.474.641)	(40.726.826)	--	(2.237.908)	--	--
E – Off-balance sheet expected credit losses (-)	--	--	--	--	--	--



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

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
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NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

As of 30 June 2023 and 31 December 2022, the details of pastdue but not impaired trade receivables due from related parties and third parties is as follows:

	30 June 2023	31 December 2022
Past due up to 1 month	53.361.205	27.642.881
Past due 30 - 119 days	56.491.055	26.394.339
Past due 120 - 179 days	9.561.318	3.430.186
Past due 180 days and over	149.547.670	128.219.834
Total	268.961.248	185.687.240

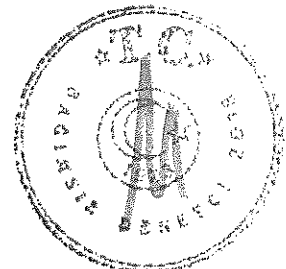
Liquidity risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid markets. In the framework of liquidity risk management, funding sources are being diversified and sufficient cash and cash equivalents are held. In order to meet instant cash necessities it is ensured that the level of cash and cash equivalent assets does not fall below a predetermined portion of the current liabilities.

As of 30 June 2023 and 31 December 2022, undiscounted contractual cash flows of the consolidated financial liabilities are as follows:

30 June 2023	Carrying Value	Total Contractual Cash Outflows (I+II+III+IV)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Non-Derivative Financial Liabilities						
Bank Borrowings	1.214.594.260	1.401.731.903	149.553.751	737.168.993	515.009.159	-
Finance Lease Payables	67.789.295	72.122.748	12.770.241	34.817.743	24.534.764	-
Trade Payables	1.107.919.210	1.191.595.035	1.191.595.035	-	-	-
Other Payables	16.408.773	16.408.773	6.884.447	-	9.524.326	-
Lease Liabilities	431.610.793	542.117.394	25.389.446	108.674.587	408.053.361	-
Total	2.838.322.331	3.223.975.853	1.386.192.920	880.661.323	957.121.610	-

31 December 2022	Carrying Value	Total Contractual Cash Outflows (I+II+III+IV)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Non-Derivative Financial Liabilities						
Bank Borrowings	833.661.624	953.883.409	153.905.905	274.009.395	459.975.303	65.992.805
Finance Lease Payables	58.175.373	62.503.378	9.391.507	24.368.245	28.743.626	-
Trade Payables	985.168.142	1.047.908.750	1.047.908.750	-	-	-
Other Payables	10.728.417	10.728.417	5.920.904	-	4.807.513	-
Lease Liabilities	285.038.333	417.465.429	26.630.236	83.339.113	307.496.080	-
Total	2.172.771.889	2.492.489.383	1.243.757.302	381.716.753	801.022.522	65.992.805



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NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign exchange risk

The Group is exposed to foreign exchange risk due to the changes in exchange rates used for converting assets and liabilities into TL. The difference between the foreign currency denominated and foreign currency indexed assets and liabilities of the Group are defined as the "Net foreign currency position" and it is the basis of the currency risk. The Group manages exchange rate risk is by analyzing the foreign exchange position and using the fair value hedge. Foreign currency denominated assets and liabilities are the basis of foreign exchange risk.

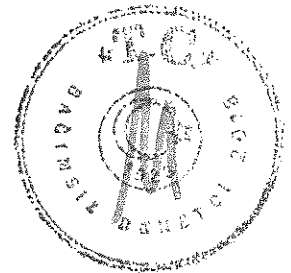
As of 30 June 2023 and 31 December 2022, the foreign exchange rates used in converting foreign currency denominated assets and liabilities into TL are as follows:

	30 June 2023	31 December 2022
Assets;		
USD	20,8050	18,6852
EUR	28,1343	19,9209
Liabilities		
USD	25,9084	18,7601
EUR	28,2471	20,0007

The Group is exposed to foreign exchange risk arising from assets and liabilities denominated in USD and EUR.

As of 30 June 2023 and 31 December 2022, the carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed below.

	30 June 2023	31 December 2022
Assets	435.084.280	159.218.829
Liabilities	(348.887.856)	(293.562.830)
Net foreign currency position	86.196.424	(134.344.001)



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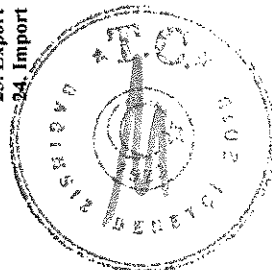
(Amounts are expressed in ("TL.") unless otherwise indicated.)

NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

As of 30 June 2023 and 31 December 2022, foreign exchange position table of the Group is as follows:

	30 June 2023			31 December 2022			
	TL EQUIVALENT	USD	EURO	TL EQUIVALENT	USD	EURO	OTHER
1. Trade Receivables	409.921.208	3.803.011	10.907.214	153.853.724	3.383.137	4.549.952	--
2a. Monetary Financial Assets	25.163.072	758.182	198.980	5.365.105	208.481	73.772	--
2b. Non-monetary financial assets	--	--	--	--	--	--	--
3. Other	--	--	--	--	--	--	--
4. Total Current Assets (1+2+3)	435.084.280	4.561.193	11.106.194	159.218.829	3.591.618	4.623.723	--
5. Trade Receivables	--	--	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--
8. Total Non-Current Assets(5+6+7)	435.084.280	4.561.193	11.106.194	159.218.829	3.591.618	4.623.723	--
9. Total Assets (4+8)	53.471.651	1.064.904	902.481	11.784	1.406.501	637.183	4.930
10. Trade Payables	117.543.963	1.520.884	2.766.312	108.583.405	1.564.063	3.961.932	--
11. Financial Liabilities	37.858.965	1.318.638	130.816	13.341.595	568.620	133.707	--
12a. Other Monetary Liabilities	--	--	--	--	--	--	--
12b. Other Non- Monetary Liabilities	--	--	--	--	--	--	--
13. Total Current Liabilities (10+11+12)	208.874.578	3.904.426	3.799.609	11.784	3.539.184	4.732.822	4.930
14. Trade Payables	140.013.278	3.082.689	2.129.271	132.396.005	3.464.239	3.370.209	--
15. Financial Liabilities	--	--	--	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--	--	--	--
16b. Other Non- Monetary Liabilities	--	--	--	--	--	--	--
17. Total Non-Current Liabilities (14+15+16)	140.013.278	3.082.689	2.129.271	132.396.005	3.464.239	3.370.209	--
18. Total Liabilities (13+17)	348.887.856	6.987.115	5.928.880	293.562.830	7.003.423	8.103.031	4.930
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)	86.196.424	(2.425.922)	5.177.314	(134.344.001)	(3.411.805)	(3.479.308)	(4.930)
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (TFRS 7.B23)	86.196.424	(2.425.922)	5.177.314	(134.344.001)	(3.411.805)	(3.479.308)	(4.930)
(=1+2a+5+6a-10-11-12a-14-15-16a)	--	--	--	--	--	--	--
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	218.251.886	5.741.367	2.460.509	314.125.532	13.967.418	4.672.159	419.778
23. Export	8.658.858	100	306.448	62.526.085	15.699	3.704.348	--
24. Import	--	--	--	--	--	--	--



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NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

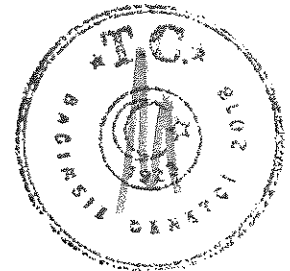
Market risk (continued)

Foreign exchange risk

The Group's foreign exchange position comprise of bank borrowings and trade payables. Borrowings denominated in foreign currencies are disclosed in Note 5.

The following table details the Group's foreign currency sensitivity of profit before tax with all other variables held constant for assets and liabilities denominated in USD, EUR and GBP (due to changes in monetary assets and liabilities) as at 30 June 2023 and 31 December 2022 for the changes at the rate of 10%:

30 June 2023	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(6.332.339)	6.332.339
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	(6.332.339)	6.332.339
Change in EURO against TL by 10%		
4- EURO Net Asset / Liability	14.499.133	(14.499.133)
5- Hedged portion of Euro Risk (-)	--	--
6- EURO Net Effect (4+5)	14.499.133	(14.499.133)
Change in GBP against TL by 10%		
7- GBP Net Asset / Liability	452.849	(452.849)
8- Hedged portion of GBP Risk (-)	--	--
9- GBP Net Effect (7+8)	452.849	(452.849)
Total (3+6+9)	8.619.642	8.619.642



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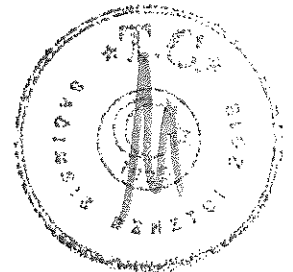
(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 16 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

31 December 2022	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(6.427.482)	6.427.482
2- Hedged portion of USD Risk (-)	--	--
3- USD Net Effect (1+2)	(6.427.482)	6.427.482
Change in EURO against TL by 10%		
4- EURO Net Asset / Liability	(6.995.757)	6.995.757
5- Hedged portion of Euro Risk (-)	--	--
6- EURO Net Effect (4+5)	(6.995.757)	6.995.757
Change in GBP against TL by 10%		
7- GBP Net Asset / Liability	(11.162)	11.162
8- Hedged portion of GBP Risk (-)	--	--
9- GBP Net Effect (7+8)	(11.162)	11.162
Total (3+6+9)	(13.434.400)	13.434.400

NOTE 17 – EARNINGS PER SHARE

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Weighted average number of shares with nominal value of Kr 1 each	35.000.000.000	35.000.000.000	35.000.000.000	35.000.000.000
Profit attributable to equity holders of the parent	154.902.380	124.885.617	50.910.319	46.496.700
Earnings per share (Kr)	0,0044	0,0036	0,0015	0,0013



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

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30
JUNE 2023**

(Amounts are expressed in ("TL") unless otherwise indicated.)

NOTE 18 - EVENTS AFTER THE BALANCE SHEET DATE

According to the Board Decision dated 07.08.2023 and 17.02.2023; Pursuant to the resolution of our Company's Board of Directors dated 17.02.2023 and the announcement of the Capital Markets Board dated 14.02.2023 on the Completion of the Continuing Buyback Transactions; Within the period of 17.02.2023 and 07.08.2023, shares with a nominal value of 5,000,000 TL, representing 1.43% of our Company's capital, were repurchased from the Company's shares traded in Borsa Istanbul.

In this respect, share buybacks within the scope of the maximum number of shares determined within the framework of the Board of Directors decision dated 17.02.2023 were completed as of 07.08.2023. The maximum price paid for repurchased shares is 10.26 TL per share; The average price is 8.87 TL per share. Within the scope of the aforementioned share buyback program, a total of 44,271,315.69 TL was paid and this cost was covered from the resources of our Company.

In accordance with the decision of the Board of Directors dated 07.08.2023, our company;

i) Within the framework of our company's Board of Directors decision dated 17.02.2023; The transactions regarding the repurchase of the Company's shares traded on Borsa Istanbul will be terminated, and the share repurchase transactions to be carried out by our Company as of the date of the Board of Directors decision, will be carried out within the framework of the CMB's announcement dated 14.02.2023 and the decision of the Board of Directors,

ii) Evaluating the price of the shares of the Company traded in Borsa Istanbul, the effects of the developing market and market conditions and the global economic developments; In order to protect the shareholders as the Company's activities do not reflect the real performance, to ensure that our share price is consistent with its real value, and to protect the trust of the investors in the Company; Pursuant to the CMB's Communiqué on Repurchased Shares numbered 2-22.1 and the related announcement dated 14.02.2023, share repurchase transactions are carried out,

iii) It is determined that the fund to be allocated for the share repurchase is determined as maximum 100,000,000 TL to be met from the resources of the Company, and the maximum number of shares to be repurchased is determined as 5,000,000,

iv) Regarding the share buyback transactions, necessary material disclosures are made on the Public Disclosure Platform and the issue is brought to the agenda at the first General Assembly meeting of the Company and presented to the information of the shareholders,

v) The repurchased shares are not sold for 30 days as of the date of this announcement, and if the amount of the repurchased shares does not exceed ten percent of the Company's paid-in capital, they are kept until the Board of Directors decision is taken to dispose of these shares; and if the value of these shares exceeds 10% of the paid-in capital of the Company, they are disposed of within a maximum of 3 years, and

vi) It has been decided to set the maximum period foreseen for the share repurchase transactions to be realized as 2 years, starting from the date of the Company's Board of Directors decision dated 07.08.2023.

8 August 2023- Extraordinary General Assembly Meeting Our Company's Extraordinary General Assembly Meeting was held on Tuesday, 08 August 2023 at 10:30, at the address of Idealtepe Mahallesi Rifki Tongsir Caddesi No:107 Maltepe / Istanbul. At the meeting, published in the Official Gazette dated 31/01/2014 and numbered 28871 of the Capital Markets Board; The amendments made in the Donation and Aid Policy, Profit Distribution Policy and Remuneration Policy in effect in order to comply with the Corporate Governance Principles in the Corporate Governance Communiqué (II-17.1) were submitted to the information and opinions of the general assembly and approved. The attendance fees paid to the members of the Board of Directors were evaluated and redetermined.

