

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH AS 30 JUNE 2022
TOGETHER WITH THE LIMITED AUDITORS' REPORT

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

19 August 2022

**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 2022, 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 ("KKGK"). 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 72.700.784 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 2022. 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 11.745.628 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 2022, 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.



www.gureli.com.tr

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

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

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

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

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

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

The subsidiary of the Group, Doğtaş Holland B.V., Doğtaş Bulgaria Eood and Doğtaş 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 2022, 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 2015. 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.

In accordance with the relevant tax laws and legislation, entities have right to offset their financial losses incurred in any year from the future taxable profit that will occur within five accounting periods following the period of financial losses incurred. As stated in Note 11, the Group has been recognised a deferred tax asset amounting to TL 13.729.473 regarding its financial losses. Realisation of the deferred tax asset amounting to TL 13.729.473 is considered in accordance with the profit for the period in the subsequent periods. The functional breakdown of financial losses used in the calculation of deferred tax assets is disclosed in Note 11.

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.

Emphasis of matter – Effects of a fire

Without affecting our conclusion on the review of interim financial information, we would like to draw attention to the following.

For the accounting period ending on 30 June 2022, the Group's paid-in capital is TL 350.000.000 and its shareholders' equity is TL 243.263.747. We would like to draw attention to the Group's statement on going concern in Note 2.2. This does not affect the opinion given by us.

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

An Independent Member of BAKER TILLY INTERNATIONAL



İstanbul, 19 August 2022

Metin Etkin

Partner

www.gureli.com.tr

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

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

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

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

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

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

CONTENTS	INDEX
CONSOLIDATED BALANCE SHEETS	1-2
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME	3-4
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOW	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7-49
Note 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS	7
Note 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	10
Note 3 CASH AND CASH EQUIVALENTS	24
Note 4 BORROWINGS	24
Note 5 TRADE RECEIVABLES AND PAYABLES	27
Note 6 RELATED PARTY DISCLOSURES	28
Note 7 OTHER RECEIVABLES AND PAYABLES	30
Note 8 INVENTORIES	31
Note 9 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS	32
Note 10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS	34
Note 11 REVENUE AND COST OF SALES	36
Note 12 EXPENSES BY NATURE	36
Note 13 OTHER OPERATING INCOME / EXPENSES	38
Note 14 FINANCIAL INCOME/EXPENSES	39
Note 15 TAX ASSETS AND LIABILITIES	40
Note 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES	42
Note 17 SUPPLEMENTARY TFRS DISCLOSURES	49
Note 18 EARNINGS PER SHARE	49
Note 19 EVENTS AFTER THE BALANCE SHEET DATE	49



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 2022 AND 31 DECEMBER 2021

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

		Audited Current Period 30 June 2022	Reclassified Audited Prior Period 31 December 2021
ASSETS	Notes		
Current Assets		1.528.388.053	990.306.288
Cash and Cash Equivalents	3	138.992.704	49.168.829
Financial Investments	11	20.000	50.021
Trade Receivables	5	265.844.003	245.345.351
- Related Parties	6	1.966.843	312.066
- Third Parties	5	263.877.160	245.033.285
Other Receivables	7	57.838.571	33.310.144
- Related Parties		7.362.414	3.247.788
- Third Parties		50.476.157	30.062.356
Inventories	8	781.368.461	468.759.358
Prepaid Expenses	10	192.491.055	136.867.633
Current Income Tax Assets	22	866.076	850.290
Other Current Assets	9	90.967.183	55.954.662
		1.528.388.053	990.306.288
Non-Current Assets Held for Sale		--	--
Non-Current Assets		940.977.376	754.941.722
Other Receivables	7	6.822.760	10.580.141
- Third Parties	7	6.822.760	10.580.141
Financial Investments	11	9.469.958	9.469.958
Property, Plant and Equipment	12	674.341.211	552.470.174
Right of Use Assets	12	223.547.741	159.218.010
Intangible Assets	13	26.439.050	23.203.439
Deferred Tax Assets	22	356.656	--
TOTAL ASSETS		2.469.365.429	1.745.248.010

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 2022 AND 31 DECEMBER 2021

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

		Audited Current Period	Reclassified Audited Prior Period
LIABILITIES	Notes	30 June 2022	31 December 2021
Current Liabilities		1.651.212.392	1.077.528.867
Short-Term Borrowings	4	202.805.022	117.991.147
Short Term Portion of Long Term Borrowings	4	232.626.968	251.057.616
Lease Liabilities		49.185.013	32.550.472
Trade Payables	5	838.841.440	499.188.711
- Third Parties		838.841.440	499.188.711
- Related Parties		--	--
Employee Benefits	15	30.496.370	26.545.885
Other Payables	7	4.089.141	14.054.412
- Third Parties	7	3.829.576	3.390.874
- Related Parties	6	259.565	10.663.538
Deferred Income	10	262.271.364	113.767.886
Short Term Provisions		30.897.074	22.372.738
- Short Term Provisions for Employee Benefits	15	15.397.988	10.575.663
- Other Short Term Provisions	14	15.499.086	11.797.075
Non-Current Liabilities		574.889.290	473.116.926
Long Term Borrowings	4	335.809.052	287.166.565
Lease Liabilities	4	216.569.679	156.868.361
Other Payables	7	4.105.623	3.202.466
- Third Parties		4.105.623	3.202.466
Long Term Provisions		7.938.549	7.644.484
- Long Term Provisions for Employee Benefits	15	6.328.524	6.328.524
- Other Long Term Provisions	14	1.610.025	1.315.960
Deferred Tax Liabilities	22	10.466.387	18.235.050
EQUITY		243.263.747	194.602.217
Equity Holders of the Parent		243.270.432	194.598.917
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 (-)		(7.793.458)	(7.793.458)
Other comprehensive income/expense not to be reclassified to profit or loss		277.441.211	277.441.211
Other comprehensive income/expense to be reclassified to profit or loss	16	(93.779.478)	(91.540.674)
Restricted Reserves	16	3.441.327	3.441.327
Retained Earnings		(187.340.014)	(213.097.811)
Profit for the Period		50.910.319	25.757.797
Non-Controlling Interests		(6.685)	3.300
TOTAL LIABILITIES AND EQUITY		2.469.365.429	1.745.248.010

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

INTERIM LIMITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTH AS 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	Dipnot	January 01 – June 30 2022	April 01 –June 30 2022	January 01 – June 30 2021	April 01 –June 30 2021
Revenue	12	1.425.788.152	846.305.330	723.837.531	393.205.004
Cost of Sales (-)	12	(931.059.585)	(543.423.322)	(492.855.577)	(266.319.544)
Gross Profit		494.728.567	302.882.008	230.981.954	126.885.460
General Administrative Expenses (-)	13	(58.204.067)	(39.669.691)	(26.060.698)	(15.067.146)
Marketing, Sales and Distribution Expenses (-)	13	(290.971.120)	(156.781.201)	(129.921.640)	(74.495.689)
Research and Development Expenses (-)	13	(10.318.398)	(4.831.654)	(4.578.452)	(2.631.156)
Other Operating Income	14	98.518.271	60.349.434	27.580.370	7.392.569
Other Operating Expenses (-)	14	(44.683.194)	(23.965.994)	(7.818.544)	(2.843.119)
OPERATING PROFIT		189.070.059	137.982.902	90.182.990	39.240.919
Gains from investment activities		2.099.267	60.373	466.204	137.638
Losses from investment activities (-)		(165.359)	(163.737)	(553.064)	(553.064)
Operating profit before financial income/(expense)		191.003.967	137.879.538	90.096.130	38.825.493
Financial Income	15	20.015.670	7.911.062	43.336.858	17.968.332
Financial Expense (-)	15	(167.799.928)	(99.348.348)	(119.075.557)	(54.162.029)
PROFIT BEFORE TAX		43.219.709	46.442.252	14.357.431	2.631.796
Tax income/(expense)		7.680.625	40.020	5.331.343	1.947.963
- Deferred tax income/expense	11	7.680.625	40.020	5.331.343	1.947.963
PROFIT FOR THE PERIOD		50.900.334	46.482.272	19.688.774	4.579.759
Distribution of Net Profit / (Loss)					
Equity Holders of the Parent		50.910.319	46.496.700	19.688.774	4.579.759
Non-Controlling Interests		(9.985)	(14.428)	--	--
Earnings per share attributable to equity holders of the parent (Kr)	18	0,0015	0,0013	0,0006	0,0001
Diluted earnings per share attributable to equity holders of the parent (Kr)	18	0,0015	0,0013	0,0006	0,0001

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 OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(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
	Notes	January 01 – June 30 2022	April 01 – June 30 2022	January 01 –June 30 2021	April 01 – June 30 2021
PROFIT FOR THE PERIOD		50.900.334	46.482.272	19.688.774	4.579.759
OTHER COMPREHENSIVE INCOME:					
Items not to be reclassified to profit/loss		--	--	--	--
Property, plant and equipment revaluation surplus	12	--	--	--	--
Gains/(losses) on remeasurements of defined benefit plans	15	--	--	--	--
Gains/(losses) on revaluation and remeasurements	12	--	--	--	--
Taxes relating to other comprehensive income not to be reclassified to profit/loss	22	--	--	--	--
Items to be reclassified to profit/loss		(2.238.804)	(992.656)	(3.850.280)	1.609.791
Currency translation differences		(460.032)	(642.543)	--	--
Gains/(losses) on cash flow hedges	22	(2.223.465)	(437.641)	(4.812.850)	2.012.239
Taxes relating to other comprehensive income to be reclassified to profit/loss	22	444.693	87.528	962.570	(402.448)
OTHER COMPREHENSIVE INCOME		(2.238.804)	(992.656)	(3.850.280)	1.609.791
TOTAL COMPREHENSIVE INCOME		48.661.530	45.489.616	15.838.494	6.189.550
Distribution of Total Comprehensive Income					
Non-Controlling Interest	(9.985)	(14.428)	-	-	
Equity Holders of the Parent	48.671.515	45.504.044	15.838.494	6.189.550	

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 2022 AND 30 JUNE 2021

(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
Prior Period (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	(92,900,775)	(878,703)	3,441,327	(187,340,014)	50,910,319	243,270,432	(6,685) 243,263,747
Current Period (Audited)												
Balances at 1 January 2021	110,000,000	9,282,945	(2,845,141)	(667,148)	169,053,397	(45,209,100)	--	3,441,327	(238,850,799)	25,752,988	29,958,469	-- 29,958,469
Transfers	--	--	--	--	--	--	--	4,535,317	21,217,671	(25,752,988)	--	--
Gains/losses on treasury share transactions	--	--	(4,535,317)	--	--	--	--	--	--	--	(4,535,317)	-- (4,535,317)
Capital increases	80,930,233	177,347	--	--	--	--	--	--	--	--	81,107,580	-- 81,107,580
Total Comprehensive Income	--	--	--	--	--	(3,850,280)	--	--	--	19,688,774	15,838,494	-- 15,838,494
Balances at 30 June 2021	190,930,233	9,460,292	(7,380,458)	(667,148)	169,053,397	--	--	7,976,644	(217,633,128)	19,688,774	122,369,226	-- 122,369,226

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 CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

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

		Audited Current Period 1 January - 30 June 2022	Reclassified Audited Prior Period 1 January - 30 June 2021
	Notes		
A) CASH FLOWS FROM OPERATING ACTIVITIES		309.755.426	60.105.638
PROFIT FOR THE PERIOD		50.900.334	19.688.774
Adjustments to reconcile profit for the period to cash generated from operating activities:		155.745.032	93.292.895
Depreciation and amortization	12	60.402.250	34.227.736
Adjustments for Impairment Loss (Reversal)	5	961.943	(15.277)
Adjustments for Provision for Employee Benefits	14	4.822.325	2.206.504
Adjustments for Provision for Warranty	14	1.484.971	139.150
Adjustments for Other Provisions		2.511.105	(1.368.461)
Adjustments for tax income/expense	22	(7.680.625)	(5.331.343)
Adjustments for interest income and expenses	21	45.327.647	34.382.173
Adjustments for unrealised currency translation differences		52.072.789	33.778.403
Adjustments for gains/losses on cash flow hedges		(2.223.465)	(4.812.850)
Adjustments for losses/(gains) on disposal of non-current assets		(1.933.908)	86.860
Changes in Working Capital		103.110.060	(52.876.031)
Gains/Losses on Trade Receivables		(23.171.341)	(35.530.305)
Gains/Losses on Other Receivables Related To Operations	7	(20.771.046)	(11.845.435)
Changes in Inventories	8	(312.609.103)	(88.212.234)
Changes in Prepaid Expenses	10	(55.623.422)	(50.213.519)
Gains/Losses on Trade Payables	5	395.695.535	96.482.594
Gains (losses) in payables due to employee benefits	15	3.950.485	6.080.059
Gains/Losses In Other Payables Related To Operations	7	1.341.859	1.020.366
Gains/Losses In Deferred Income		148.503.478	38.527.964
Adjustments for other changes in working capital		(34.206.385)	(9.185.521)
Cash Flows from Operating Activities		309.755.426	60.105.638
Payments for Provisions Related with Employee Benefits	15	-	-
Payments for Other Provisions	14	-	-
B) CASH FLOWS FROM INVESTING ACTIVITIES		(159.970.741)	(65.732.429)
Cash outflows from purchase of property, plant and equipment and intangible assets	12,13	(165.020.034)	(66.479.368)
Cash inflows from sale of property, plant and equipment and intangible asset	12,13	5.049.293	746.939
C) CASH FLOWS FROM FINANCING ACTIVITIES		(59.960.810)	41.526.302
Cash outflows from acquisition of treasury shares and other equity instruments		--	(4.535.317)
Interest paid		(96.985.653)	(41.723.620)
Cash inflows from borrowings	4,27	925.803.943	325.515.525
Cash outflows from lease liabilities	12,27	(12.025.427)	(5.254.909)
Cash outflows from repayments of borrowings	4,27	(866.349.700)	(312.961.912)
Cash inflows from capital increases		--	81.107.580
Cash inflows from related parties		(10.403.973)	(621.045)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		89.823.875	35.899.511
D) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	49.168.829	14.228.238
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	3	138.992.704	50.127.749

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 2022

(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 ("BIST") since 1990 with the code "DGNMO". As of 30 June 2022, 50,72% of the Company's shares are publicly traded (31 December 2021: 53,74%).

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.



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 2022

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

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

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 31 December 2021, Doğtaş Pazarlama does not have any branches operating in Turkey (31 December 2020: 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 31 December 2021, 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 31 December 2021, 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 2022

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

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

As of 30 June 2022 and 31 December 2021, 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 2022	31 December 2021
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	-
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 2.481 (31 December 2021: 2.257).

As of 30 June 2022 and 31 December 2021, the principal shareholders and their respective shareholding rates in Doğanlar Mobilya are as follows:

	30 June 2022		31 December 2021	
	Share %	Amount - TL	Share %	Amount - TL
Shares traded at BIST ("Other")	50,72	177.441.604	53,74	188.001.604
Davut Doğan	5,96	20.874.236	5,96	20.874.236
Adnan Doğan	5,96	20.874.211	5,96	20.874.211
Şadan Doğan	5,96	20.874.198	5,96	20.874.198
İsmail Doğan	5,96	20.874.198	5,96	20.874.198
İlhan Doğan	5,96	20.874.198	5,96	20.874.198
Murat Doğan	5,96	20.874.198	5,96	20.874.198
Doğanlar Yatırım Holding A.Ş.	13,52	47.313.158	10,5	36.753.458
	100,00	350.000.000	100,00	350.000.000



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 2022

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

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

As of 30 June 2022, the current issued paid-in share capital of the Group is amounting to TL 350.000.000 (31 December 2021: 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.

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

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.

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

Approval of the consolidated financial statements

These consolidated financial statements as of and for the year ended 30 June 2022 have been approved for issue by the Board of Directors ("BOD") on 19 August 2022 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.



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 2022

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

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

2.1 Basis of Presentation (continued)

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.

e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company, and its subsidiaries as at 30 June 2022. 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.



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 2022

(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 (continued)

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 2022

(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 2022.

Reclassifications of prior period

The Group presented lease liabilities under short-term and long-term borrowings before. As of change in accounting policies, Group has reclassified lease liabilities separate in Lease Liabilities

2.3 New and Revised Turkish Financial Reporting Standards

Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2022

Benchmark Interest Rate Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, POA introduced the Benchmark Rate Reform – Phase 2- TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, which introduced temporary exemptions in order to eliminate the effects on Financial reporting of replacing the benchmark interest rate (IBOR) with an alternative reference interest rate. It has published its changes. Businesses will apply these changes for annual accounting periods beginning on or after January 1, 2021. Early application is permitted. Phase 2 amendments provide temporary additional ease in applying certain TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by the IBOR reform.

This change did not have a material impact on the financial position or performance of the Group.



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 2022

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

2.3 New and Revised Turkish Financial Reporting Standards (continued)

TFRS 4 (Amendments) Extension of the Temporary Exemption Period for the Application of TFRS 9

With the postponement of the effective date of TFRS 17 to 1 January 2023, the expiry date of the temporary exemption period for the application of TFRS 9 provided to insurers has also been revised to 1 January 2023.

TFRS 16 Amendments - Change in Concessions Granted in Rent Payments Related to Covid-19

In June 2020, POA has amended the TFRS 16 Leases standard in order to exempt the lease concessions granted to lessees due to the COVID-19 outbreak to evaluate whether there has been a change in the lease. On April 7, 2021, POA made an amendment to extend the exemption to include concessions that cause a decrease in rental payments due on or before 30 June 2022.

Tenants will apply this change in annual accounting periods beginning on or after April 1, 2021. Early application is permitted.

This change did not have a material impact on the financial position or performance of the Group.

Standards and amendments published but not yet effective as of 30 June 2022:

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 otherwise stated, the Group will make the necessary changes that will affect its consolidated financial statements and footnotes after the new standards and interpretations become effective.

TFRS 10 and TAS 28: Asset Sales or Contributions by Investor Entity to Associates or Joint Ventures – Amendment

POA has indefinitely postponed the validity date of the amendments made in TFRS 10 and TAS 28 in December 2017, to be changed depending on the ongoing research project outputs related to the equity method. However, it still allows for early application.

TFRS 17 – New Insurance Contracts Standard

In February 2019, POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profits throughout the period in which the services are provided. Some changes in future cash flow estimates and risk adjustment are also recognized during the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features. TFRS 17 will enter into force for annual periods beginning on or after 1 January 2023, and early application is permitted for entities that have applied TFRS 9 Financial Instruments and TFRS 15 Revenue from Contracts with Customers on or before this date.



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 2022

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

2.3 New and Revised Turkish Financial Reporting Standards (continued)

According to the amendments published by POA in December 2021, businesses have the option to "overlap classification" in order to eliminate possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when TFRS 17 is first applied. The effects on the Group's financial position and performance are being evaluated.

In February 2019, POA published TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation and disclosure for insurance contracts. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profits throughout the period in which the services are provided. TFRS 17 will be applied for annual accounting periods beginning on or after 1 January 2023. Early application is permitted. The effects on the Group's financial position and performance are being evaluated.

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 this change on the financial position and performance of the Group are being evaluated.

Changes to TFRS 3 – Change to References to the Conceptual Framework

POA made changes to the TFRS Business Combinations standard in July 2020. The change was made with the intention of replacing the reference to the old version of the Conceptual Framework (the 1989 Framework) with a reference to the current version (Conceptual Framework) released in March 2018, without materially changing the requirements of TFRS 3. However, a new paragraph has been added to TFRS 3 to define contingent assets that do not meet the recognition criteria at the acquisition date. The amendment will be applied prospectively for annual accounting periods beginning on or after January 1, 2022. Early application is permitted if the entity implements all changes in IFRS standards that refer to the Conceptual Framework (March 2018) at the same time or earlier. The effects of the said change on the financial position and performance of the Group are being evaluated.

Changes in TAS 16 - Adaptation for intended use

In July 2020, POA made changes to TAS 16 Tangible Fixed Assets standard. With the amendment, companies do not allow revenues from the sale of manufactured products to be deducted from the cost of the tangible fixed asset item, while making a property, plant and equipment suitable for its intended use. Companies will now recognize such sales revenue and related costs in profit or loss. The amendment will be applied for annual accounting periods beginning on or after 1 January 2022. Changes may be applied retrospectively only for items of property, plant and equipment that are made available at or after the earliest presented period, in comparison with the accounting period in which the entity first applied the change. There is no exemption for those who will apply TFRS for the first time. The effects of the said change on the financial position and performance of the Group are being evaluated.



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 2022

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

2.3 New and Revised Turkish Financial Reporting Standards (continued)

Amendments to TAS 37 - Disadvantageous contracts - Costs to fulfill the contract

In July 2020, POA made amendments to TAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendment made in TAS 37, which will be applied for annual accounting periods beginning on or after January 1, 2022, has been made to determine the costs to be taken into account when assessing whether a contract is "disadvantaged" or "disadvantaged" from an economic point of view, and includes "directly related costs". includes the implementation of the approach. Changes should be applied prospectively for contracts for which the entity has not fulfilled all of its obligations at the beginning of the annual reporting period (first application date) in which the changes will be applied for the first time. Early application is permitted.

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

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 1 Amendments – Disclosure of Accounting Policies

In August 2021, POA published amendments to TAS 1 where it provides guidance and examples to help businesses apply materiality estimates to their accounting policy disclosures. The amendments published in TAS 1 are valid for annual accounting periods beginning on or after 1 January 2023. Due to the lack of a definition of the term "significant" in TFRS, POA has decided to replace this term with "significant" in the context of disclosure of accounting policy information. 'Significant' is a term defined in TFRS and is widely understood by users of financial statements according to POA. When assessing the materiality of accounting policy information, entities need to consider both the size of transactions, other events or conditions, and their nature. In addition, examples of situations in which the entity may consider accounting policy information to be important are included. Generally speaking, it does not expect a material impact on the Group's 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 2022

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

2.3 New and Revised Turkish Financial Reporting Standards (continued)

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

In August 2021, POA published amendments to TAS 12 that narrowed the scope of the initial recognition exemption, thus ensuring 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. Changes require a judgment (given applicable tax law) whether such deductions are attributable to the recognized liability (and interest expense) or related asset component (and interest expense) for tax purposes when payments made on a liability are tax deductible. clarifies the issue. 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 the beginning or after 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.

The effects on the Group's financial position and performance are being evaluated.

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 subsuequent 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 over their estimated useful lives



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 2022

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

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



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 2022

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

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.



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 2022

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

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.



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 2022

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

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).



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 2022

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

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

As of 30 June 2022, the Group has net profit amounting to TL 50.910.319 in the accompanying consolidated financial statements. In addition, the Group has accumulated losses amounting to TL (183.340.014) in the accompanying consolidated financial statements for the six month ended as 30 June 2022. As of 30 June 2022, the equity is amounting to TL 243.263.747 together with retained losses

Within the scope of the prospectus approved by the Capital Markets Board's decision dated 31 December 2021 and numbered 79/1619 in order to create a strong capital structure for the Group, the issued capital of Doğanlar Mobilya Grubu Üretim Sanayi ve Ticaret A.Ş. The request for an increase in TL has been approved. The issuance of the shares with a nominal value of TL 80,930,233, which was increased in cash, was completed on 02.02.2021, within the framework of the conditions specified in the prospectus, and the newly issued capital of the Group was increased to TL 350.000.000. With the decision taken by the Board of Directors, the entire amount of 80.930.233 TL obtained from the capital increase was used for bank loans.

The Group has significantly reduced its foreign exchange risks. As of 31.12.2021, its net foreign liability position, which was at the level of 20.841.261 USD, decreased to 3.500.000 USD as of 30 June 2022, thanks to the export targets realized in the first six months and the efficient use of debt management instruments. At the same time, the Group has benefited from access to low-cost financing with the effective tools it uses in working capital management. The Group's first 6-month statements were realized above the growth target. The revenue generated from the sales revenue was used in cash loan closings. The Group has increased the alternatives in its sales channels. Mattress sales increased with the launch of mattress brand. Online sales of all brands are put into service. The Ruum Store brand, which only sells online, has also increased its online sales volume. In addition to its franchise stores abroad, the Group has opened its own stores in America, Senegal and Cyprus.

In order to increase sales revenues and generate positive cash, fast consumer finance products were activated in dealers and stores, and the way was opened for the customer to purchase furniture with a 36-month loan option. The Group has achieved a significant improvement in the Net Debt/Ebitda balance with the formation of EBITDA in 2021. In 2022, as in 2021, the Group aims to continue to reduce the Net Debt/Ebitda balance and to maintain profitability, with the prediction of a significant increase in turnover with the increase in the sales channels mentioned above.



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 2022

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

2.6 Going Concern (continued)

The Doğtaş, Kelebek, Kelebek Mutfak, Lova and Ruumstore brands within the group operate with a total of 572 sales points in Turkey and abroad as of June 30. In the second half of 2022, it is aimed to strengthen its sales network with a total of 50-60 new domestic and international sales points. In parallel with the online shopping opportunities for customers who turn to e-commerce, it increased its total internet sales from 12.08 Million TRY to 23.20 Million TRY in the first 6 months of the year. The Group's year-end target in internet sales has been determined as 60 Million TRY. It is estimated that the Group will achieve these goals thanks to effective advertisements on the internet and marketplaces and our specially developed products online.

The Group has established subsidiaries in the Turkish Republic of Northern Cyprus, Senegal and the United States, and the sales operations of the companies have started in order to more effectively manage and develop its activities in foreign markets. In this way, the Group will contribute to exports in the future in line with its target of retailing in the United States and African markets. The UK store opening will be completed in the second half of 2022. In parallel with these actions, the Group is expected to reach its export targets faster.

In addition, the Group reviewed its purchasing processes, taking into account the budget detailed product plans, in order to increase profitability, and reduced the purchasing cost by making long-term connections and raw material price fixes. Actions have been taken to increase the efficiency of the factory for cost savings, cost optimization and renewal of production lines to increase gross profitability. In this context, a fixed asset investment of 140m TL was made in the first 6 months of 2022. Gaps in product segmentation were completed, resulting in 25% new product entry into the portfolio. In addition, the gross profitability ratio was increased by focusing on products with high design value. Renewal investments of R&D centers in Düzce and Biga locations continue.



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 2022

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

NOTE 3 - CASH AND CASH EQUIVALENTS

As of 30 June 2022 and 31 December 2021, the functional breakdown of cash and cash equivalents is as follows:

	30 June 2022	31 December 2021
Cash in hand	38.845	10.803
Banks – demand deposits	121.154.642	34.624.247
Other (*)	17.799.217	14.533.779
	138.992.704	49.168.829

(*)As of 30 June 2022 and 31 December 2021, other include receivables from credit card POS system devices.

NOTE 4 - BORROWINGS

		30 June 2022	
	Annual effective interest rate %	Original currency amount	TL equivalent
Short term borrowings:			
TL loans (*)	%9,50 - %20,50	178.379.461	178.379.461
Finance lease payables		24.425.561	24.425.561
Short term financial borrowings, net			202.805.022
Short term lease liabilities			49.185.013
Short term portion of long term borrowings:			
EUR loans	4.57% - 7.13%	2.860.217	49.846.432
USD loans	4.31% - 5.03%	1.145.261	19.144.756
TL loans	7.91% - 26.69%	163.635.780	163.635.780
Short term portion of long term borrowings, net			232.626.968
Total short term borrowings, net			484.617.003
EUR loans	4.57% - 7.13%	2.812.479	49.014.470
USD loans	4.31% - 5.03%	4.677.760	78.195.779
TL loans	7.91% - 26.69%	184.938.110	184.938.110
Finance lease payables		23.660.693	23.660.693
Long term financial borrowings, net			335.809.052
Long term lease liabilities			216.569.679
Total borrowings, net			1.036.995.734



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 2022

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

NOTE 4 – BORROWINGS (continued)

	31 December 2021		
	Annual effective interest rate %	Original currency amount	TL equivalent
Short term borrowings:			
TL loans (*)	9.50% - 20.50%	103.609.694	103.609.694
Financial lease liabilities		14.381.453	14.381.453
Short term financial borrowings, net			117.991.147
Short term leasing liabilities			32.550.472
Short term portion of long term borrowings:			
EUR loans	4.57% - 7.13%	7.289.388	110.335.828
USD loans	4.31% - 5.03%	1.911.424	25.561.663
TL loans	7.91% - 26.69%	115.160.125	115.160.125
Short term portion of long term borrowings, net			251.057.616
Total short term borrowings, net			401.599.235
Long term financial borrowings, net			287.166.565
Long term lease liabilities			156.868.361
Total borrowings, net			845.634.161

As of 30 June 2022 and 31 December 2021, borrowings are secured by collateral and the Group has no mortgages on property, plant and equipment.



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 2022

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

NOTE 4 – BORROWINGS (continued)

As of 30 June 2022 and 2021, the reconciling the balances of borrowings arising from the Group's financing activities is as follows:

	30 June 2022	30 June 2021
Beginning of the period – 1 January	656.215.328	492.956.338
Additions	925.803.943	325.515.525
Payments during the period	(866.349.700)	(312.961.912)
Interest accruals	2.682.838	212.555
Changes in foreign exchange rates, net	52.888.633	33.778.403
End of the period – 31 December	771.241.042	539.500.909

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	
	30.06.2022	31.12.2021
Up to 1 year	49.185.013	32.550.472
Less: Long term financial expenses	-	-
Net present value of lease liabilities	49.185.013	32.550.472
2 years and over	216.569.679	156.868.361
Less: Long term financial expenses	-	-
Net present value of lease liabilities	216.569.679	156.868.361
Total lease liabilities, net	265.754.692	189.418.833

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.



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 2022

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

NOTE 4 – BORROWINGS (continued)

As of 30 June 2022 and 31 December 2021, repayment schedule of borrowings is as follows:

	30 June 2022	31 December 2021
Up to 3 months	228.692.506	167.501.123
3-12 months	257.787.105	234.098.112
1-5 years	509.857.611	444.034.926
	996.337.222	845.634.161

NOTE 5 – TRADE RECEIVABLES AND PAYABLES

	30 June 2022	31 December 2021
Trade receivables	265.844.003	245.345.351
-Related parties (Note 6)	1.966.843	312.066
-Third parties	263.877.160	245.033.285
Customers	206.633.389	185.540.423
Notes receivables	61.872.282	62.410.627
Doubtful trade receivables	39.669.685	38.216.720
Provision for doubtful trade receivables (-)	(39.669.685)	(38.216.720)
Deferred finance income (-)	(4.628.511)	(2.917.765)
Trade receivables, net	265.844.003	245.345.351

Annual effective interest rate on deferred finance income is 30% (31 December 2021: 17%).

The movement of doubtful receivables is as follows:

	30.06.2022	30.06.2021
Beginning of the period – 1 January	38.216.720	30.816.697
Additions	121.508	50.692
Exchange different	1.922.508	--
Reversals	(591.051)	--
	39.669.685	30.867.386

As of 30 June 2022 and 31 December 2021, trade payables is as follows:

	30 June 2022	31 December 2021
Trade payables	838.841.440	499.188.711
-Third parties	838.841.440	499.188.711
-Related parties	--	--
Suppliers	430.098.189	164.536.451
Notes payable	490.311.785	360.177.988
Deferred financing costs (-)	(81.568.534)	(25.525.728)
Trade payables, net	838.841.440	499.188.711

Annual effective interest rate on deferred financing costs is 30% (31 December 2021: 17%).



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 2022

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

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 2022 and 31 December 2021, related party balances are as follows:

	30 June 2022	31 December 2021
Trade receivables due from related parties		
Biotrend Çevre Ve Enerji Yatırımlar A.Ş.	1.186.843	117.066
FTR Dış Ticaret Mobilya A.Ş.	780.000	195.000
Doubtful trade receivables from related parties	1.296.452	1.068.876
Provision for doubtful trade receivables from related parties (-)	(1.296.452)	(1.068.876)
	1.966.843	312.066
	30 June 2022	31 December 2021
Other receivables due from related parties		
Shareholders	6.257.161	3.247.788
Doğanlar Yatırım Holding A.Ş.	1.105.253	--
	7.362.414	3.247.788
	30 June 2022	31 December 2021
Other payables due to related parties		
Doğanlar Yatırım Holding A.Ş. (*)	155.996	10.639.566
Korad G.Menkul Yat.İnş.A.Ş.	31.107	23.972
Shareholders	72.462	--
	259.565	10.663.538

b) As of 30 June 2022 and 2021, the functional breakdown of sales to related parties is as follows:

	January 01 - June 30, 2022	April 01 - June 30, 2022	January 01 - June 30, 2021	April 01 - June 30, 2021
Sales to related parties				
Doğanlar Yatırım Holding A.Ş.	1.429.802	699.825	-	-
Biotrend Çevre ve Enerji Yatırımları	685.838	531.783	-	-
Other	-	-	8.429	2.805
	2.115.640	1.231.608	8.429	2.805



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 2022

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

NOTE 6 – RELATED PARTY DISCLOSURES (continued)

- c) As of 30 June 2022 and 2021, the functional breakdown of purchases from related parties is as follows:

	January 01 - June 30, 2022	April 01 - June 30, 2022	January 01 - June 30, 2021	April 01 - June 30, 2021
Purchases from related parties				
Doğanlar Yatırım Holding A.Ş. (*)	10.324.107	6.985.112	2.392.492	1.570.018
Biotrend Çevre ve Enerji Yatırımları	114.428	57.101	-	-
Korad Gayrimenkul Yatırım İnş. A.Ş.	196.497	112.439	25.812	18.587
Other	-	-	-	-
	10.635.032	7.154.652	2.418.304	1.588.605

	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Interest from related parties				
Doğanlar Yatırım Holding A.Ş.	1.105.253	512.781	2.368.150	1.262.154
	1.105.253	512.781	2.368.150	1.262.154

- d) As of 30 June 2022 and 2021, the functional breakdown of key management compensation is as follows:

	30 June 2022	30 June 2021
Employee and termination benefits	4.158.370	7.801.093
	4.158.370	7.801.093

As of 30 June 2022 and 2021, 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 2022 and 2021, key management compensation does not include post-employment benefits, other long-term benefits and share-based payment benefits.



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 2022

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

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

	30 June 2022	31 December 2021
Other receivables	57.838.571	33.310.144
-Third parties	50.476.157	30.062.356
-Related parties (Note 6)	7.362.414	3.247.788
Deposits and guarantees given	2.327.422	2.285.176
Doubtful other receivables	3.039.132	1.607.646
Provision for doubtful other receivables (-)	(3.039.132)	(1.607.646)
Receivables from tax Office (*)	31.177.143	7.611.904
Receivables from personnel	643.753	327.533
Other	16.327.839	19.837.743
Other receivables, net	57.838.571	33.310.144

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

The movement of doubtful receivables is as follows:

	30.06.2022	30.06.2021
Beginning of the period – 1 January	1.607.646	498.139
Additions	1.431.486	43.255
	3.039.132	541.394

	30 June 2022	31 December 2021
Long term other receivables		
Deposits and guarantees given	6.379.249	4.227.232
Other (*)	443.511	6.352.909
	6.822.760	10.580.141

	30 June 2022	31 December 2021
Short term other payables		
Other payables	4.089.141	14.054.412
-Related parties (Note 6)	259.565	10.663.538
-Third parties	3.829.576	3.390.874
Taxes payable	3.394.623	1.858.366
Other	434.953	1.532.508
	4.089.141	14.054.412

	30 June 2022	31 December 2021
Long term other payables		
-Related parties	--	--
-Third parties	4.105.623	3.202.466
Deposits and guarantees received	4.105.623	3.202.466
	4.105.623	3.202.466



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 2022

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

NOTE 8 - INVENTORIES

	30 June 2022	31 December 2021
Raw materials and supplies	383.732.019	242.946.321
Semi finished goods	64.219.959	40.189.321
Goods	149.809.059	106.127.081
Merchandise	202.017.511	97.906.722
Provision for inventory impairment (-)(*)	(18.410.087)	(18.410.087)
	781.368.461	468.759.358

There has been no inventories given as collateral against liabilities.

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



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 2022
(Amounts are expressed in ("TL") unless otherwise indicated.)

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

Cost	Land	Land improvements and buildings	Plant, Machinery and Equipment	Motor Vehicles	Furniture and Fixtures	Leasehold Improvements	Constructions in Progress	Total
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
Foreign currency conversion difference	--	--	--	--	--	--	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 (-)								
Opening balance - 1 January 2022	--	(17.304)	(2.023.645)	--	(7.106)	--	--	(2.048.055)
Current period impairment	--	(17.304)	(2.023.645)	--	(7.106)	--	--	(2.048.055)
Closing balance – 30 June 2022	--	(34.608)	(4.047.290)	--	(14.212)	--	--	(4.096.103)
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

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 367.500.000 on property, plant and equipment.



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 2022

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

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 2021	76.310.952	139.260.935	127.405.968	2.232.931	79.284.780	93.673.588	690.879	518.860.033
Additions	2.250.000	8.254.279	7.544.143	16.250	12.333.251	35.187.638	50.000	65.635.561
Disposals	--	--	(1.514.493)	(445.964)	(139.493)	(1.570.832)	--	(3.670.782)
Closing balance – 30 June 2021	78.560.952	147.515.214	133.435.618	1.803.217	91.478.538	127.290.394	740.879	580.824.812
Accumulated depreciation								
Opening balance - 1 January 2021	--	(33.613.887)	(69.644.858)	(1.200.106)	(55.495.209)	(44.773.655)	--	(204.727.715)
Current period depreciation	--	(3.350.234)	(4.002.506)	(90.442)	(5.258.118)	(8.670.075)	--	(21.371.375)
Disposals	--	--	1.514.493	18.133	104.447	1.199.910	--	2.836.983
Closing balance – 30 June 2021	--	(36.964.121)	(72.132.871)	(1.272.415)	(60.648.880)	(52.243.821)	--	(223.262.107)
Net book value, 30 June 2021	78.560.952	110.551.093	61.302.747	530.802	30.829.658	75.046.574	740.879	357.562.705



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 2022

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

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

Short term provisions

As of 30 June 2022 and 31 December 2021, the functional breakdown of short term provisions is as follows:

	30 June 2022	31 December 2021
Provision for warranty	6.689.136	5.498.230
Provision for lawsuits	8.809.950	6.298.845
Provision for unused vacation	15.397.988	10.575.663
	30.897.074	22.372.738

Long term provisions

	30 June 2022	31 December 2021
Provision for warranty	1.610.025	1.315.960
Provision for severance pay	6.328.524	6.328.524
	7.938.549	7.644.484

Contingent liabilities and contingent assets

As of 30 June 2022 and 31 December 2021, the functional breakdown of guarantees and mortgages is as follows:

Guarantees given

	30 June 2022	31 December 2021
Mortgages given (*)	893.163.000	821.595.000
Letters of guarantee given to public institutions (**)	334.917.405	261.775.053
Letters of guarantee given to customers	4.675.529	2.605.168
Letters of guarantee given to suppliers	2.782.368	721.627
	1.235.538.302	1.086.696.848

(*) 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 2022	31 December 2021
Letters of guarantee received from dealers	164.336.616	151.273.841
Mortgages received from domestic dealers	8.715.000	10.290.000
Mortgages received from dealers abroad	30.072.483	16.949.683
	203.124.099	178.513.524



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 2022

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

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

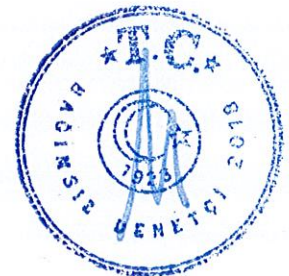
Collaterals/pledges/mortgages/ ("CPM") of the Group as of 30 June 2022 and 31 December 2021 are as follows:

CPM given by the Group	30 June 2022	31 December 2021
A. Total amount of CPM's given in the name of its own legal personality	1.235.538.302	1.086.696.848
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	1.235.538.302	1.086.696.848

As of 30 June 2022, the Group has pledge to banks against borrowings on 16,484,088,300 number of outstanding shares with a nominal value of TL 0,01. (31 December 2021: pledge to banks against borrowings on 12.200.886.985 number of outstanding shares with a nominal value of TL 0,01).

As of 30 June 2022, the Group has total insurance coverage on property, plant and equipment and inventories amounting to TL 208.069.325 and TL 250.494.957 respectively.

As of 30 June 2022, the Group offset endorsed cheques from its borrowings with a carrying amount of TL 44.935.768 and presented with a net amount accordingly in the accompanying consolidated financial statements (31 December 2021: TL 28.137.204).



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 2022

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

NOTE 11 – REVENUE AND COST OF SALES

	1 January – 30 June 22	1 April – 30 June 22	1 January – 30 June 21	1 April – 30 June 21
Domestic sales	1.546.320.904	927.560.694	790.574.784	430.430.968
Foreign sales	172.604.598	91.460.333	92.278.447	52.996.722
Other revenue	9.375.016	2.785.880	5.199.737	563.968
Sales returns (-)	(10.343.177)	(4.472.301)	(5.518.413)	(3.514.529)
Sales discounts (-)	(292.169.189)	(171.029.276)	(158.697.024)	(87.272.125)
Net sales	1.425.788.152	846.305.330	723.837.531	393.205.004
Cost of sales	(931.059.585)	(543.423.322)	(492.855.577)	(266.319.544)
Gross profit	494.728.567	302.882.008	230.981.954	126.885.460

NOTE 12 – EXPENSES BY NATURE

Marketing, sales and distribution expenses

	January 01 – June 30, 2022	April 01, - June 30, 2022	January 01 – June 30, 2021	April 01, - June 30, 2021
Marketing, sales and distribution expenses				
Depreciation and amortization charges	(40.938.311)	(20.271.257)	(25.021.788)	(12.682.326)
Advertising and promotion expenses	(51.332.589)	(26.935.315)	(24.472.449)	(12.143.098)
Transportation, distribution and storage costs	(76.375.468)	(45.302.502)	(30.594.303)	(19.806.685)
Personnel expenses	(60.164.206)	(29.708.624)	(25.242.806)	(14.671.075)
Other	(21.871.222)	(13.481.994)	(9.353.906)	(7.519.217)
Utility expenses	(10.230.182)	(4.774.533)	(2.040.882)	(903.708)
Consultancy expenses	(1.986.995)	(1.063.803)	(1.258.522)	(678.671)
Travel expenses	(3.756.750)	(2.157.240)	(1.179.857)	(682.455)
Maintenance and repair expenses	(865.722)	(508.535)	(770.886)	(364.544)
Outsourcing expenses	(18.173.457)	(10.159.309)	(6.987.138)	(3.610.916)
Rent expenses (*)	(3.401.980)	(1.521.669)	(2.277.346)	(983.588)
Dealer fees and charges	(1.380.835)	(585.420)	(570.702)	(364.427)
Representation and hospitality expenses	(493.403)	(311.000)	(151.055)	(84.979)
	(290.971.120)	(156.781.201)	(129.921.640)	(74.495.689)



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 2022

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

NOTE 12 – EXPENSES BY NATURE (continued)

General administrative expenses

General administrative expenses	1 January – 30 June 2022	1 April – 30 June 2022	1 January – 30 June 2021	1 April – 30 June 2021
Personnel expenses	(17.282.930)	(13.952.107)	(9.731.693)	(5.195.758)
Consultancy and audit expenses	(4.680.430)	(2.798.865)	(3.981.679)	(1.782.532)
Depreciation and amortization charges	(13.662.543)	(9.089.219)	(3.875.844)	(2.930.731)
Case expenses	(4.195.872)	(2.171.649)	(2.484.144)	(1.770.160)
Taxes and other legal dues	(580.235)	(463.324)	(922.545)	(839.974)
Other	(5.298.587)	(5.189.618)	(1.228.415)	(522.661)
Rent expenses	(3.957.115)	(905.380)	(1.630.229)	(931.660)
Utilities expenses	(1.805.205)	(1.028.362)	(535.466)	(256.608)
Travel expenses	(2.849.541)	(1.802.479)	(519.066)	(268.596)
Food and beverage costs	(916.424)	(532.041)	(411.812)	(220.961)
Office expenses	(1.897.179)	(1.083.673)	(435.913)	(203.898)
Dues expenses	(315.746)	(109.274)	(122.813)	(48.195)
Representation and hospitality expenses	(762.260)	(543.700)	(181.079)	(95.412)
	(58.204.067)	(39.669.691)	(26.060.698)	(15.067.146)

Research and development expenses

Research and development expenses	1 January -30 June 2022	1 April -30 June 2022	1 January -30 June 2021	1 April -30 June 2021
Personnel expenses	(8.570.234)	(3.706.068)	(3.819.187)	(2.185.861)
Other	(970.426)	(688.605)	(256.594)	(140.286)
Raw materials and supplies	(147.449)	(114.946)	(58.732)	(31.215)
Depreciation and amortization charges	(168.145)	(112.462)	(189.296)	(131.920)
Rent expenses	(462.144)	(209.573)	(254.643)	(141.874)
	(10.318.398)	(4.831.654)	(4.578.452)	(2.631.156)



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 2022

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

NOTE 12 – EXPENSES BY NATURE (continued)

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

Personnel expenses

	1 January -30 June 2022	1 April -30 June 2022	1 January -30 June 2021	1 Nisan -30 June 2021
Personnel expenses				
Cost of sales	(100.907.845)	(66.694.429)	(52.808.978)	(28.726.271)
Marketing, sales and distribution expenses	(60.164.206)	(29.708.624)	(25.242.806)	(14.671.075)
General administrative expenses	(17.229.505)	(13.898.682)	(9.731.693)	(5.195.758)
Research and development expenses	(8.570.234)	(3.706.068)	(3.819.187)	(2.185.861)
	(186.871.790)	(114.007.803)	(91.602.664)	(50.778.965)

Depreciation and amortisation charges

	1 January -30 June 2022	1 April -30 June 2022	1 January -30 June 2021	1 April -30 June 2021
Cost of sales	(5.633.252)	(2.577.160)	(5.140.808)	(3.526.318)
Marketing, sales and distribution expenses	(40.938.311)	(20.271.257)	(25.021.788)	(12.682.326)
General administrative expenses	(13.662.543)	(9.089.219)	(3.875.844)	(2.930.731)
Research and development expenses	(168.145)	(112.462)	(189.296)	(131.920)
	(60.402.250)	(32.050.097)	(34.227.736)	(19.271.295)

NOTE 13 - OTHER OPERATING INCOME AND EXPENSES

	1 January -30 June 2022	1 April -30 June 2022	1 January -30 June 2021	1 April -30 June 2021
Foreign exchange gains	28.246.837	4.941.214	18.293.305	1.438.902
Other	4.521.357	453.158	206.967	1.427
Rediscount income (net) (*)	54.332.060	54.332.060	7.554.002	4.426.144
Provisions no longer required (doubtful receivables)	623.002	623.002	1.526.096	1.526.096
Income arising from insurance claims	10.795.015	-	-	-
Other operating income	98.518.271	60.349.434	27.580.370	7.392.569
Foreign exchange losses	(17.692.764)	(2.299.883)	(4.468.308)	(415.879)
Rediscount losses (net) (*)	-	5.270.589	-	-
Provision for doubtful receivables	(1.552.994)	(1.552.994)	(96.022)	(96.022)
Previous period expenses and losses	(941.118)	(941.118)	-	-
Provision for lawsuits	(2.543.056)	(2.543.056)	-	-
Maturity and price different losses	(19.607.951)	(19.554.221)	(1.840.022)	(3.614)
Other	(2.345.311)	(2.345.311)	(1.414.192)	(2.327.604)
Other operating expenses	(44.683.194)	(23.965.994)	(7.818.544)	(2.843.119)
Operating Incomes / (Losses) (net)	53.835.077	36.383.440	19.761.826	4.549.450



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 2022

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

NOTE 14 – FINANCIAL INCOME/ (EXPENSES)

	1 January -30 June 2022	1 April -30 June 2022	1 January -30 June 2021	1 April -30 June 2021
Foreing exchange incomes	17.782.871	6.702.405	40.864.758	16.664.019
Interest incomes	2.232.799	1.208.657	2.472.100	1.304.313
Financial incomes	20.015.670	7.911.062	43.336.858	17.968.332
Foreign exchange expenses	(65.907.422)	(34.310.626)	(74.667.282)	(28.618.648)
Interest expenses	(101.892.506)	(64.998.244)	(44.408.275)	(25.543.381)
Financial expenses	(167.799.928)	(99.348.348)	(119.075.557)	(54.162.029)
Financial incomes / (losses) (net)	(147.784.258)	(91.437.286)	(75.738.699)	(36.193.697)



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 2022

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

NOTE 15 – TAX ASSETS AND LIABILITIES

Doğanlar Mobilya and the subsidiaries operating in Turkey subject to corporate tax and Turkish tax legislation. Necessary provisions in the accompanying consolidated financial statements have been made for estimated tax liabilities regarding Group's operations in the current period

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.

The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit; deducting investment and research and development allowances, income that is not subjected to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

The corporation tax rate is 23% in Turkey in 2022 (2021: 25%). In the Official Gazette dated April 22, 2021 and numbered 31462, the Law No. 7316 on the procedure for the collection of public receivables and Law Amending Certain Laws has been published and the Provisional Article 13 has been added to the Corporate Tax Law with the 11th article of the stated Law. Corporate tax rate of 20% with the added item will be applied as; - 25% for corporate earnings for the 2021 taxation period. - 23% for corporate earnings for the 2022 taxation period. The respective rate increase came into effect on April 22, 2021, starting from the declarations that must be submitted as of July 1, 2021 and to be valid for the corporate earnings for the taxation period starting from January 1, 2021. In accordance with the aforementioned revision, deferred tax assets and liabilities have been measured using the %23 and %20 tax rates for temporary differences that will be settled in years 2022 and beyond, respectively.

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 2022 and 31 December 2021, current income tax assets is summarised as follows:

	30 June 2022	31 December 2021
Current income tax liabilities	-	-
Less: Prepaid income tax	866.076	850.290
Current income tax assets (net)	866.076	850.290

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

	01 January- 30 June 2022	01 April - 30 June 2022	01 January- 30 June 2021	01 April - 30 June 2021
Deferred tax income/expense (net)	7.680.625	40.020	5.331.343	1.947.963
Tax income/(expense)	7.680.625	40.020	5.331.343	1.947.963



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 2022

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

NOTE 15 – TAX ASSETS AND LIABILITIES (continued)

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 2022 and 31 December 2021, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Deferred tax assets:				
Unused financial losses	68.623.625	125.781.786	13.729.473	28.929.811
Investments incentives	157.967.394	14.965.000	31.593.479	2.993.000
Cash capital discount	13.642.814	13.642.814	2.728.563	2.728.563
Provision for doubtful receivables	18.425.723	16.610.148	3.685.144	3.322.030
Provision for unused vacation	15.397.988	10.575.663	3.079.598	2.115.133
Provision for warranty	8.299.161	6.814.190	1.659.832	1.362.838
Provision for employment termination benefits	6.328.524	6.328.524	1.265.705	1.265.705
Provision for lawsuits	8.809.950	6.298.845	2.026.289	1.259.769
Adjustments for TFRS 16	41.289.113	30.059.227	8.284.238	6.011.843
Provision for inventory impairment	21.624.497	21.624.497	4.324.899	4.324.899
Adjustments for TAS 21	1.753.393	8.923.925	403.100	2.052.503
Other	13.264.238	2.191.195	2.784.931	472.312
	375.426.420	263.815.813	75.565.251	56.838.406
Deferred tax liabilities:				
Property, plant and equipment and intangible assets	335.840.407	342.965.223	(59.319.805)	(60.744.660)
Effect of periodicity, net	88.568.405	49.268.535	(20.021.881)	(10.531.945)
Other	31.666.479	18.984.252	(6.333.296)	(3.796.851)
	456.075.291	411.218.010	(85.674.982)	(75.073.456)
Deferred tax assets/liabilities (net)			(10.109.731)	(18.235.050)

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.



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 2022

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

NOTE 15 – TAX ASSETS AND LIABILITIES (continued)

As of 30 June 2022, the Group has recognised deferred tax asset amounting to TL 13.729.473 (31 December 2021: TL 28.929.811) over unused financial losses amounting to TL 68.623.625 (31 December 2021: TL : 125.781.786)

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

	30 June 2022	31 December 2021
2023	20.446.770	77.740.568
2024	48.041.218	48.041.218
2026	135.637	--
	68.623.625	125.781.786

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

	30 June 2022	30 June 2021
Beginning of the period - 1 January	(18.235.050)	13.790.478
Charge to the income statement	7.680.625	5.331.343
Gains/losses on hedges	444.694	962.570
End of the period - 31 December	(10.109.731)	20.084.391

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.



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 2022

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

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

Credit risk (continued)

30 June 2022	Receivables					
	Trade Receivables		Other Receivables		Bank deposits and credit card receivables	
	Related Party	Other	Related Party	Other		Other
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	1.966.843	263.877.160	7.362.414	57.298.917	138.953.859	--
- Maximum risk, secured with guarantees	--	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets	1.966.843	89.728.688	--	57.298.917	138.953.859	--
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	--	174.148.472	7.362.414	--	--	--
- Maximum risk secured with guarantees etc.	--	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross amount)	1.296.452	39.669.685	--	3.039.132	--	--
- Impairment (-)	(1.296.452)	(39.669.685)	--	(3.039.132)	--	--
E – Off-balance sheet expected credit losses (-)	--	--	--	--	--	--

31 December 2021	Receivables					
	Trade Receivables		Other Receivables		Bank deposits and credit card receivables	
	Related Party	Other	Related Party	Other		Other
Maximum exposure to credit risk as of reporting date (A+B+C+D+E)	312.066	245.033.285	3.247.788	40.642.497	49.158.026	--
- Maximum risk, secured with guarantees	--	--	--	--	--	--
A. Net book value of neither past due nor impaired financial assets	312.066	172.691.550	--	40.642.497	49.158.026	--
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	--	72.341.735	3.247.788	--	--	--
- Maximum risk secured with guarantees etc.	--	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross amount)	1.068.876	38.216.720	--	1.607.646	--	--
- Impairment (-)	(1.068.876)	(38.216.720)	--	(1.607.646)	--	--
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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH AS 30 JUNE 2022

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

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

Credit risk (continued)

As of 30 June 2022 and 31 December 2021, the details of pastdue but not impaired trade receivables due from related parties and third parties is as follows:

	30 June 2022	31 December 2021
Past due up to 1 month	50.456.801	1.302.954
Past due 30 - 119 days	33.536.337	5.232.475
Past due 120 - 179 days	17.454.550	1.614.058
Past due 180 days and over	72.700.784	64.192.248
	174.148.472	72.341.735

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 2022 and 31 December 2021, undiscounted contractual cash flows of the consolidated financial liabilities are as follows:

30 June 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	723.154.788	831.069.260	189.288.647	109.403.095	532.377.518	--
Finance Lease Payables	48.086.254	52.182.668	6.592.222	18.748.028	26.842.070	348
Trade Payables	838.841.440	920.409.974	920.409.974	--	--	--
Other Payables	23.746.089	23.746.089	19.640.466	--	4.105.623	--
Lease Liabilities	265.754.692	370.221.212	18.670.226	60.859.456	288.434.723	2.256.806
Total	1.899.583.263	2.197.629.203	1.154.601.535	189.010.579	851.759.934	2.257.154
31 December 2021						
Non-Derivative Financial Liabilities						
Bank Borrowings	623.876.452	705.530.034	156.853.776	210.184.074	338.492.184	--
Finance Lease Payables	2.338.876	34.796.634	3.679.455	11.147.854	19.969.325	--
Trade Payables	499.188.711	524.714.439	524.714.439	--	--	--
Other Payables	17.256.878	17.256.878	14.054.412	--	3.202.466	--
Lease Liabilities	189.418.833	260.539.834	15.051.508	44.091.182	199.336.566	2.060.578
Total	1.332.079.750	1.542.837.819	714.353.590	265.423.110	561.000.541	2.060.578



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 2022

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

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 2022 and 31 December 2021, the foreign exchange rates used in converting foreign currency denominated assets and liabilities into TL are as follows:

	30 June 2022	31 December 2021
Assets;		
USD	16,6498	13,3197
EUR	17,3579	15,0761
Liabilities		
USD	16,7165	13,3731
EUR	17,4275	15,1365

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

As of 30 June 2022 and 31 December 2021, the carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed below.

	30 June 2022	31 December 2021
Assets	230.949.737	154.907.859
Liabilities	(301.358.985)	(434.137.931)
Net foreign currency position	(70.409.248)	(279.230.072)



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 2022

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

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

Market risk

As of 30 June 2022 and 31 December 2021, foreign exchange position table of the Group is as follows:

	30 June 2022				31 December 2021			
	TL	USD	EURO	OTHER	TL	USD	EURO	OTHER
1. Trade Receivables	157.990.506	3.209.563	5.994.268	25.000	138.327.430	3.599.635	5.995.010	--
2a. Monetary Financial Assets	72.959.231	2.239.399	2.017.187	32.714	16.580.429	1.116.938	102.252	9.000
2b. Non-monetary financial assets	--	--	--	--	--	--	--	--
3. Other	--	--	--	--	--	--	--	--
4. Total Current Assets (1+2+3)	230.949.737	5.448.962	8.011.455	57.714	154.907.859	4.716.573	6.097.262	9.000
5. Trade Receivables	--	--	--	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--	--
8. Total Non-Current Assets(5+6+7)	--	--	--	--	--	--	--	--
9. Total Assets (4+8)	230.949.737	5.448.962	8.011.455	57.714	154.907.859	4.716.573	6.097.262	9.000
10. Trade Payables	43.841.541	680.187	1.863.216	--	(51.558.958)	(3.425.923)	(379.463)	--
11. Financial Liabilities	92.509.728	1.228.802	4.129.592	--	(150.278.954)	(2.033.686)	(8.131.488)	--
12a. Other Monetary Liabilities	15.028.618	710.297	181.032	--	(50.390.605)	(3.557.493)	(186.033)	--
12b. Other Non- Monetary Liabilities	--	--	--	--	--	--	--	--
13. Total Current Liabilities (10+11+12)	151.379.887	2.619.286	6.173.840	--	(252.228.518)	(9.017.103)	(8.696.984)	--
14. Trade Payables	--	--	--	--	--	--	--	--
15. Financial Liabilities	149.979.098	4.677.760	4.118.968	--	(181.909.413)	(5.686.624)	(6.993.798)	--
16a. Other Monetary Liabilities	--	--	--	--	--	--	--	--
16b. Other Non- Monetary Liabilities	--	--	--	--	--	--	--	--
17. Total Non-Current Liabilities (14+15+16)	149.979.098	4.677.760	4.118.968	--	(181.909.413)	(5.686.624)	(6.993.798)	--
18. Total Liabilities (13+17)	301.358.985	7.297.046	10.292.809	--	(434.137.931)	(14.703.727)	(15.690.782)	--
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)	(70.409.248)	(1.848.084)	(2.281.354)	57.714	(279.230.072)	(9.987.153)	(9.593.520)	9.000
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position	--	--	--	--	--	--	--	--
(TFRS 7.B23)	--	--	--	--	--	--	--	--
(=1+2a+5+6a-10-11-12a-14-15-16a)	(70.409.248)	(1.848.084)	(2.281.354)	57.714	(279.230.072)	(9.987.153)	(9.593.520)	9.000
22. Total Fair Value of Financial Instruments Used for Foreign Exchange	--	--	--	--	--	--	--	--
Hedge	--	--	--	--	--	--	--	--
23. Export	126.430.524	5.830.099	1.662.412	--	215.701.873	11.355.499	4.217.861	--
24. Import	29.290.342	15.699	1.665.638	--	7.220.386	88.127	399.158	--



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 2022

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

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 4.

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 2022 and 31 December 2021 for the changes at the rate of 10%:

30 June 2022	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(3.125.694)	3.125.694
2- Hedged portion of USD Risk (-)	-	-
3- USD Net Effect (1+2)	(3.125.694)	3.125.694
Change in EURO against TL by 10%		
4- EURO Net Asset / Liability	(4.031.589)	4.031.589
5- Hedged portion of Euro Risk (-)	-	-
6- EURO Net Effect (4+5)	(4.031.589)	4.031.589
Change in GBP against TL by 10%		
7- GBP Net Asset / Liability	116.359	(116.359)
8- Hedged portion of GBP Risk (-)	-	-
9- GBP Net Effect (7+8)	116.359	(116.359)
Total (3+6+9)	(7.040.925)	7.040.925



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 2022

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

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

31 December 2021	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%		
1- USD Net Asset / Liability	(13.381.107)	13.381.107
2- Hedged portion of USD Risk (-)	--	--
3- USD Net Effect (1+2)	(13.381.107)	13.381.107
Change in EURO against TL by 10%		
4- EURO Net Asset / Liability	(14.558.059)	14.558.059
5- Hedged portion of Euro Risk (-)	--	--
6- EURO Net Effect (4+5)	(14.558.059)	14.558.059
Change in GBP against TL by 10%		
7- GBP Net Asset / Liability	16.159	(16.159)
8- Hedged portion of GBP Risk (-)	--	--
9- GBP Net Effect (7+8)	16.159	(16.159)
Total (3+6+9)	(27.923.007)	24.339.016



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 2022

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

NOTE 17 - SUPPLEMENTARY TFRS DISCLOSURES

Earnings Before Interest, Taxes and Depreciation ("EBITDA") are not defined by TFRS. EBITDA has been calculated by the Group by less financial income from the net profit / (loss) for the period and adding tax income / (expense), depreciation and amortization, financial expenses, provision for employment termination benefits and unused vacation. EBITDA disclosed separately by the Group management for better explanation and measurement and operating performance of the Group.

	30.06.2022	30.06.2021
Net profit income / (losses)	50.900.334	19.688.774
Tax income / (losses)	(7.680.625)	(5.331.343)
Financial incomes	(20.015.670)	(43.336.858)
Financial expenses	167.799.928	119.075.557
Depreciation and amortization expenses	60.402.250	34.227.736
Unused vacation expenses	4.822.325	2.252.840
EBITDA	256.228.542	126.576.706

NOTE 18 – EARNINGS PER SHARE

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
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	50.910.319	46.496.700	19.688.774	4.579.759
Earnings per share (Kr)	0,0015	0,0013	0,0006	0,0001

NOTE 19 - EVENTS AFTER THE BALANCE SHEET DATE

None.

