

**SASA POLYESTER SANAYİ A.Ş. AND ITS  
SUBSIDIARIES**

CONVENIENCE TRANSLATION OF THE  
CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE INTERIM PERIOD  
JANUARY 1-JUNE 30, 2024

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## **(CONVENIENCE TRANSLATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD JANUARY 1-JUNE 30, 2024)**

### **Limited Review Report on the Condensed Consolidated Interim Financial Statements**

#### **To the General Assembly of SASA Polyester Sanayi Anonim Şirketi**

#### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tofaş SASA Polyester Sanayi A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2024 and the related interim condensed consolidated statements of profit or loss, interim condensed consolidated statements of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. Group management is responsible for the preparation and fair presentation of this interim condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this interim condensed consolidated interim financial information based on our review.

#### **Scope of the Limited Review**

We conducted our review in accordance with Standard on Review Engagements (SIA) 2410 “Interim Financial Statements”. Information Limited by the Auditor Performing the Independent Audit of the Entity's Annual Financial Statements Independent Audit”. Review of interim financial information, the questioning of relevant persons, particularly those responsible for finance and accounting matters, and the application of analytical procedures and other limited review procedures. Interim financial The scope of the review of the limited review of the information; The purpose of the review, conducted in accordance with the Independent Auditing Standards significantly compared to the scope of an audit, which is to express an opinion on the financial statements narrow. Consequently, a review of interim financial information requires the audit firm to that it is aware of all significant matters that may be identified in the audit does not provide an audit opinion. Accordingly, we do not express an audit opinion.

#### **Other Matter**

The consolidated financial statements of the Group as at 31 December 2023 in accordance with the Turkish Financial Reporting Standards (‘TFRSs’) issued by the Public Oversight Accounting and Auditing Standards Authority (‘POA’) have been audited by another auditor whose report dated 5 March 2024 expressed an unqualified opinion on those consolidated financial statements. The Group's condensed consolidated interim financial statements as at 30 June 2023 prepared in accordance with TAS 34, which exclude the effects of the restatement inflation adjustments related to the application of TAS 29 ‘Financial Reporting in Hyperinflationary Economies’ as explained in Note 2.1. The consolidated financial statements of the Group as of 31 December 2023 were audited and the condensed consolidated financial statements as of 30 June 2023 and for the six-month period then ended were reviewed by another audit firm whose consolidated audit report dated 5 March 2024 expressed an unqualified opinion and whose condensed consolidated review report dated 4 August 2023 expressed a conclusion that nothing has come to their attention that not compliance with TAS 34.



## Conclusion

We have limited reviewed the accompanying condensed consolidated interim financial statements in all material respects, any matter that causes us to believe that the financial statements are not prepared in accordance with TAS 34 has not come to our attention.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Kaan Bırdal, SMMM  
Partner

August 23, 2024  
Istanbul, Turkey

# SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 AND 31 DECEMBER 2023

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

|  |       | Current Period<br>(Limited review)<br>30 June 2024 | Prior Period<br>(Audited)<br>31 December 2023 |
|--|-------|--|---|
|  | Notes |  |   |
| <b>ASSETS</b>  |       |  |   |
| <b>Current Assets</b>  |       | <b>29,697,753</b>                                  | <b>35,902,542</b>                             |
| Cash and Cash Equivalents  | 3     | 1,969,587  | 6,562,603                                     |
| Trade Receivables  | 5     | 10,649,697   | 13,421,317                                    |
| - Trade Receivables from Third Parties   | 5     | 10,278,555   | 13,333,539                                    |
| - Trade Receivables from Related Parties   | 27    | 371,142  | 87,778  |
| Other Receivables  | 7     | 32,965   | 30,637  |
| - Other Receivables from Third Parties   | 7     | 32,965   | 30,637  |
| Inventories  | 8     | 15,373,194   | 14,195,862                                    |
| Prepaid Expenses   | 9     | 714,188  | 763,539                                       |
| Other Current Assets   | 15    | 958,122  | 928,584                                       |
| <b>Non-Current Assets</b>  |       | <b>172,772,777</b>                                 | <b>153,439,653</b>                            |
| Other Receivables  |       | 100  | 125   |
| Property, Plant and Equipment  | 10    | 121,487,783  | 104,056,184                                   |
| Intangible Assets  | 11    | 411,026  | 446,630                                       |
| Prepaid Expenses   | 9     | 3,763,837  | 3,083,457                                     |
| Deferred Tax Assets  | 25    | 47,110,031   | 45,853,257                                    |
| <b>TOTAL ASSETS</b>  |       | <b>202,470,530</b>                                 | <b>189,342,195</b>                            |
| <b>Current Liabilities</b>   |       | <b>56,806,646</b>                                  | <b>43,922,351</b>                             |
| Short Term Borrowings  | 4     | 42,102,367   | 28,714,381                                    |
| - Bank Loans   | 4     | 23,854,729   | 13,805,503                                    |
| - Short Term Portion of Long Term Borrowings   | 4     | 18,117,789   | 14,712,883                                    |
| - Lease Liabilities  | 4     | 129,849  | 195,995                                       |
| Trade Payables   | 5     | 11,046,645   | 10,782,907                                    |
| - Trade Payables to Third Parties  | 5     | 11,046,645   | 10,782,907                                    |
| Payables Related to Employee Benefits  | 6     | 263,068  | 218,468                                       |
| Other Payables   | 7     | 299,702  | 325,207                                       |
| - Other Payables to Third Parties  | 7     | 299,702  | 325,207                                       |
| Deferred Income  | 7     | 3,085,493  | 3,743,068                                     |
| - Deferred Income from Third Parties   | 7     | 2,546,713  | 3,293,941                                     |
| - Deferred Income from Related Parties   | 27    | 538,780  | 449,127                                       |
| Current Period Profit Tax Liability  | 25    | -  | 130,321                                       |
| Short Term Provisions  | 12    | 9,371  | 7,999   |
| - Other Short Term Provisions  | 12    | 9,371  | 7,999   |
| <b>Non-Current Liabilities</b>   |       | <b>45,372,866</b>                                  | <b>63,288,349</b>                             |
| Long Term Borrowings   | 4     | 39,871,703   | 52,781,012                                    |
| - Bank Loans   | 4     | 36,182,424   | 52,563,109                                    |
| - Convertible Bonds  | 4     | 3,547,704  | -   |
| - Lease Liabilities  | 4     | 141,575  | 217,903                                       |
| Trade Payables   | 5     | 1,644,265  | -   |
| - Trade Payables to Third Parties  | 5     | 1,644,265  | -   |
| Other Payables   |       | 3,581,158  | 10,319,303                                    |
| - Other Payables to Related Parties  | 27    | 3,581,158  | 10,319,303                                    |
| Long Term Provisions   | 14    | 275,740  | 188,034                                       |
| - Long Term Provisions Related to Employment Benefits  | 14    | 275,740  | 188,034                                       |
| <b>EQUITY</b>  |       | <b>100,291,018</b>                                 | <b>82,131,495</b>                             |
| Paid in Share Capital  | 16    | 5,410,014  | 5,321,654                                     |
| Share Capital Adjustment Differences   | 16    | 12,764,167   | 12,738,316                                    |
| Repurchased Shares   | 16    | (1,784)  | (1,784)                                       |
| Restricted Reserves Appropriated from Profits  | 16    | 21,002,776   | 1,393,979                                     |
| Share Premiums   | 16    | -  | -   |
| Accumulated Other Comprehensive Income/ Expenses That Will Not Be Reclassified to Profit or Loss |       | 9,296,883  | 4,950,117                                     |
| - Defined Benefit Plans Remeasurement Losses   | 16    | 5,272,265  | 5,294,268                                     |
| - Revaluation Increase on Property, Plant and Equipment  | 16    | (50,275)   | (28,272)                                      |
| Prior Years Profit   | 16    | 5,322,540  | 5,322,540                                     |
| Net Profit for the Period  | 16    | 32,826,148   | 29,742,952                                    |
|  |       | 13,720,549   | 22,691,993                                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |       | <b>202,470,530</b>                                 | <b>189,342,195</b>                            |

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

# SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY 2024 AND 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

|   |       | (Limited<br>review)<br>1 January -<br>30 June 2024 | (Not<br>Reviewed)<br>1 April -<br>30 June 2024 | (Limited<br>review)<br>1 January -<br>30 June 2023 | (Not<br>Reviewed)<br>1 April -<br>30 June 2023 |
|---|-------|--|--|--|--|
|   | Notes |  |  |  |  |
| Revenue   | 17    | 22,515,173   | 10,951,152                                     | 28,891,559   | 13,298,800                                     |
| Cost of Sales (-)   | 17    | (17,818,796)                                       | (9,116,730)                                    | (25,646,380)                                       | (11,051,793)                                   |
| <b>GROSS PROFIT</b>   |       | <b>4,696,377</b>                                   | <b>1,834,422</b>                               | <b>3,245,179</b>                                   | <b>2,247,006</b>                               |
| General Administrative Expenses (-)                                   | 18    | (322,747)  | (151,599)                                      | (317,151)  | (168,636)                                      |
| Marketing Expenses (-)  | 18    | (823,630)  | (402,647)                                      | (866,429)  | (395,199)                                      |
| Research and Development Expenses (-)                                 | 18    | (6,230)  | (4,973)  | (3,082)  | (1,882)  |
| Other Income from Operating Activities                                | 19    | 6,700,750  | 1,050,801                                      | 12,897,136   | 10,778,525                                     |
| Other Expenses from Operating Activities (-)                          | 19    | (6,571,566)  | (1,189,872)                                    | (13,467,806)                                       | (10,963,537)                                   |
| <b>PROFIT FROM OPERATING ACTIVITIES</b>                               |       | <b>3,672,954</b>                                   | <b>1,136,132</b>                               | <b>1,487,847</b>                                   | <b>1,496,278</b>                               |
| Income from Investing Activities                                      | 21    | 5,099  | 4,761  | 2,989  | 2,644  |
| Expenses from Investing Activities (-)                                | 21    | (1,335)  | (1,330)  | (115)  | (94)   |
| <b>OPERATING PROFIT BEFORE FINANCE EXPENSE</b>                        |       | <b>3,676,718</b>                                   | <b>1,139,563</b>                               | <b>1,490,721</b>                                   | <b>1,498,828</b>                               |
| Finance Income  | 22    | 477,895  | 183,010  | 2,086,834  | 994,703  |
| Finance Expenses (-)  | 23    | (7,957,401)  | (2,625,693)                                    | (21,800,466)                                       | (17,939,237)                                   |
| Monetary Gain   |       | 16,273,898   | 7,090,543                                      | 9,824,786  | 9,142,194                                      |
| <b>PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX</b>            |       | <b>12,471,110</b>                                  | <b>5,787,423</b>                               | <b>(8,398,125)</b>                                 | <b>(6,303,512)</b>                             |
| <b>Tax Income / (Expense), Continuing Activities</b>                  |       | <b>1,249,439</b>                                   | <b>(3,694,472)</b>                             | <b>8,515,731</b>                                   | <b>1,386,881</b>                               |
| - Current Period Tax Expense (-)                                      | 25    | -  | -  | -  | -  |
| - Deferred Tax Income/(Expense)                                       | 25    | (2,518,814)  | (2,518,814)                                    | (3,490,093)  | (4,187,638)                                    |
| - Deferred Tax Income within Incentive Certificate                    | 25    | 3,768,253  | (1,175,658)                                    | 12,005,824   | 5,574,519                                      |
| <b>PROFIT FOR THE PERIOD</b>  |       | <b>13,720,549</b>                                  | <b>2,092,951</b>                               | <b>117,606</b>                                     | <b>(4,916,631)</b>                             |
| <b>Other comprehensive income / expense</b>                           |       | <b>(22,003)</b>                                    | <b>(22,003)</b>                                | -  | -  |
| Items not to be Reclassified to Profit or Loss                        | 24    | (22,003)   | (22,003)                                       | -  | -  |
| Tax Effect of Property, Plant and Equipment Revaluation Increases (-) |       | -  | -  | -  | -  |
| Defined Benefit Plans Remeasurement Losses                            | 24    | (29,338)   | (29,338)                                       | -  | -  |
| Tax Effect of Defined Benefit Plans Remeasurement Losses              | 25    | 7,335  | 7,335  | -  | -  |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                     |       | <b>13,698,546</b>                                  | <b>2,070,947</b>                               | <b>117,606</b>                                     | <b>(4,916,631)</b>                             |
| <b>Distribution of Profit for the Period:</b>                         |       |  |  |  |  |
| Attributable to the Parent  |       | 13,720,549   | 2,092,951                                      | 117,606  | (4,916,631)                                    |
| <b>Earnings Per Share</b>   | 26    | <b>2,5361</b>                                      | <b>0,3869</b>                                  | <b>0,0217</b>                                      | <b>(0,9088)</b>                                |
| <b>Distribution of Total Comprehensive Income</b>                     |       |  |  |  |  |
| Attributable to the Parent  |       | 13,720,549   | 2,092,951                                      | 117,606  | (4,916,631)                                    |
| Non-controlling Shares  |       | -  | -  | -  | -  |

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

# SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 30 JUNE 2024 AND 2023

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

|  |           |                    |  |                   |                   |                       | Other Comprehensive Income<br>or Expenses not to be<br>Reclassified to Profit or Loss | Retained Earnings                                   |  |                           |                                 |                    |
|--|-----------|--------------------|--|-------------------|-------------------|-----------------------|---|---|--|---------------------------|---------------------------------|--------------------|
|  | Notes     | Paid-in<br>Capital | Share<br>Capital<br>Inflation<br>Differences | Share<br>Premiums | Other<br>Reserves | Repurchased<br>Shares | Revaluation<br>Increase on<br>Property,<br>Plant and<br>Equipment                     | Defined Benefit<br>Plans<br>Remeasurement<br>Losses | Restricted<br>Reserves<br>Appropriated<br>from Profits | Prior<br>Years<br>Profits | Net Profit<br>for the<br>Period | Total Equity       |
| <b>(Limited review)</b>                        |           |                    |  |                   |                   |                       |   |   |  |                           |                                 |                    |
| <b>1 January 2023</b>                          | <b>16</b> | <b>2,263,633</b>   | <b>11,407,436</b>                            | <b>1,597,234</b>  | <b>349,135</b>    | <b>-</b>              | <b>-</b>  | <b>(8,446)</b>                                      | <b>1,233,407</b>                                       | <b>6,386,110</b>          | <b>28,381,990</b>               | <b>51,610,499</b>  |
| Transfers from Retained Earnings               | 16        | 2,993,369          | 3,791,748                                    | -                 | -                 | -                     | -   | -   | 160,567  | 21,436,306                | (28,381,990)                    | -                  |
| Total Comprehensive Income                     |           | -                  | -  | -                 | -                 | -                     | -   | -   | -  | -                         | 117,606                         | 117,606            |
| Decrease Incurred from Share Repurchase        | 16        | -                  | -  | -                 | -                 | (1,716)               | -   | -   | -  | (242,988)                 | -                               | (244,704)          |
| Transactions with Non-controlling Shareholders | 16-4      | 38,958             | 27,893                                       | 2,047,743         | -                 | -                     | -   | -   | -  | -                         | -                               | 2,114,593          |
| <b>30 June 2023</b>                            | <b>16</b> | <b>5,295,960</b>   | <b>15,227,077</b>                            | <b>3,644,977</b>  | <b>349,135</b>    | <b>(1,716)</b>        | <b>-</b>  | <b>(8,446)</b>                                      | <b>1,393,974</b>                                       | <b>27,579,428</b>         | <b>117,606</b>                  | <b>53,597,995</b>  |
| <b>(Limited review)</b>                        |           |                    |  |                   |                   |                       |   |   |  |                           |                                 |                    |
| <b>1 January 2024</b>                          | <b>16</b> | <b>5,321,654</b>   | <b>12,738,316</b>                            | <b>4,950,117</b>  | <b>-</b>          | <b>(1,784)</b>        | <b>5,322,540</b>  | <b>(28,272)</b>                                     | <b>1,393,979</b>                                       | <b>29,742,952</b>         | <b>22,691,993</b>               | <b>82,131,495</b>  |
| Transfers from Retained Earnings               | 16        | -                  | -  | -                 | -                 | -                     | -   | -   | 19,608,797   | 3,083,196                 | (22,691,993)                    | -                  |
| Accumulated Total Comprehensive Income         |           | -                  | -  | -                 | -                 | -                     | -   | (22,003)  | -  | -                         | 13,720,549                      | 13,698,546         |
| Transactions with Shareholders(*)              | 16-4      | 88,360             | 25,851                                       | 4,346,766         | -                 | -                     | -   | -   | -  | -                         | -                               | 4,460,977          |
| <b>30 June 2024</b>                            | <b>16</b> | <b>5,410,014</b>   | <b>12,764,167</b>                            | <b>9,296,883</b>  | <b>-</b>          | <b>(1,784)</b>        | <b>5,322,540</b>  | <b>(50,275)</b>                                     | <b>21,002,776</b>                                      | <b>32,826,148</b>         | <b>13,720,549</b>               | <b>100,291,018</b> |

(\*) Shares amounting to TL 88,360,324 issued within the scope of the allocated increase of the Group's issued capital from TL 5,321,653,794.10 to TL 5,410,014,118.10 were sold to Erdemoğlu Holding A.Ş., the controlling shareholder of the Group, as a wholesale purchase and sale transaction in the Borsa Istanbul share market on May 24, 2024 at a price of TL 49,40 for a share with a nominal value of TL 1, with a total sales revenue of TL 4,365,000,000 and the capital increase transactions were completed.

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

# SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 30 JUNE 2024 AND 2023

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

|  | Notes | (Limited review)<br>1 January -<br>30 June 2024 | (Limited review)<br>1 January -<br>30 June 2023 |
|--|-------|---|---|
| <b>Cash Flows from Operating Activities:</b>   |       |   |   |
| <b>Continuing Activities Period Profit Before Tax</b>                                  |       | <b>12,471,110</b>                               | <b>(8,398,125)</b>                              |
| <b>Adjustments Related to Reconciliation of Net Profit /(Loss) for the Period</b>      |       | <b>(11,201,088)</b>                             | <b>15,491,988</b>                               |
| Adjustments for depreciation and amortization  | 10.11 | 776,694   | 756,328   |
| Adjustments Related to Interest Income/Expense   |       | 3,149,646                                       | 2,774,083                                       |
| <i>Adjustments Related to Interest Expenses</i>  | 4,23  | 3,196,306                                       | 2,932,268                                       |
| <i>Adjustments Related to Interest Income</i>  | 22    | (46,660)  | (158,185)                                       |
| Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment        |       | 3,764   | (2,874)   |
| <i>Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment</i> | 21    | 3,764   | (2,874)   |
| Adjustments Related to Provisions  |       | 87,706  | 167,774   |
| <i>Adjustments Related to Provision for Employee Benefits</i>                          | 14    | 87,706  | 167,774   |
| Adjustments Related to Provision for Litigation  | 12    | 2,958   | 1,436   |
| Adjustments Related to Impairment / (Reversal)   |       | (8,683)   | -   |
| <i>Adjustments for Impairment / (Reversal) of Receivables</i>                          | 5     | (8,683)   | -   |
| Adjustments for Unrealized Foreign Exchange Differences                                | 4     | 47,358  | 18,492,564                                      |
| Adjustments for Monetary Loss  |       | (15,256,590)                                    | (6,834,846)                                     |
| Adjustments for Foreign Exchange Rate Differences on Cash and Cash Equivalents         |       | (3,941)   | 137,523   |
| <b>Changes in Working Capital:</b>   |       | <b>4,886,212</b>                                | <b>(6,949,215)</b>                              |
| Adjustments Related to Trade Receivables   |       | 2,780,303                                       | (6,618,451)                                     |
| <i>Increase in Trade Receivables from Third Parties</i>                                |       | 2,692,525                                       | (6,453,255)                                     |
| <i>Decrease in Trade Receivables from Related Parties</i>                              |       | 87,778  | (165,196)                                       |
| Adjustments for Increase in Other Receivables Related to Other Receivables             |       | (8,403)   | (115,224)                                       |
| <i>Increase in Other Receivables</i>   |       | (8,403)   | (115,224)                                       |
| Adjustments for Increase in Inventories  |       | (1,177,332)                                     | (1,231,363)                                     |
| Adjustments for (Increase) / Decrease in Prepaid Expenses                              |       | (713,500)                                       | 59,228  |
| Adjustments for (Decrease) / Increase in Other Current Assets                          |       | (213,674)                                       | 605,708   |
| Adjustments Related to Increase in Trade Payables to Third Parties                     |       | 4,046,229                                       | (2,902,659)                                     |
| Adjustments Related to (Decrease) / Increase in Other Payables                         |       | -   | 569,206   |
| Adjustments Related to (Increase) / Decrease in Deferred Income                        |       | 84,667  | 2,631,828                                       |
| Adjustments Related to Increase in Employee Benefit Payables                           |       | 87,922  | 52,512  |
| <b>Cash Flows from Operating Activities:</b>   |       | <b>6,156,234</b>                                | <b>144,648</b>                                  |
| Payments for Provision Related to Employee Benefits                                    | 14    | (26,398)  | (218,079)                                       |
| Tax Payments   |       | -   | -   |
| <b>Net Cash (Used in) / Obtained from Operating Activities</b>                         |       | <b>6,129,836</b>                                | <b>(73,431)</b>                                 |
| <b>Cash Flows Used in Investing Activities :</b>                                       |       |   |   |
| Cash Outflows from Acquisition of Tangible and Intangible Assets                       |       | (16,427,003)                                    | (18,085,648)                                    |
| <i>Cash Outflows from Acquisition of Tangible and Intangible Assets</i>                |       | (16,427,003)                                    | (18,085,648)                                    |
| Cash Inflows from Sale of Tangible and Intangible Assets                               |       | 11,479  | 6,320   |
| <i>Cash Inflows from Sale of Tangible Assets</i>                                       |       | 11,479  | 6,320   |
| Interest Received  | 22    | 46,660  | 158,185   |
| <b>Net Cash Used in Investing Activities</b>   |       | <b>(16,368,864)</b>                             | <b>(17,921,143)</b>                             |
| <b>Cash Flow from Financing Activities:</b>  |       |   |   |
| Cash Inflows from Borrowings   | 4     | 31,697,997                                      | 41,560,461                                      |
| <i>Cash Inflows from Loans</i>   | 4     | 31,697,997                                      | 41,560,461                                      |
| Cash Outflows Related to Debt Payments   | 4     | (16,951,454)                                    | (20,369,785)                                    |
| <i>Cash Outflows Related to Loan Repayments</i>  | 4     | (16,861,545)                                    | (20,299,331)                                    |
| <i>Cash Outflows Related to Repayment of Finance Lease Liabilities</i>                 | 4     | (89,909)  | (70,454)  |
| Interest Paid  |       | (3,150,255)                                     | (2,891,639)                                     |
| Net change related to increase in other payables to related parties                    | 27    | (4,652,868)                                     | -   |
| Cash Outflows Related to the Acquisition of Own Shares and Other Equity Instruments    |       | -   | (244,704)                                       |
| Other Cash (Outflows) / Inflows  |       | -   | 6,237,470                                       |
| <b>Net Cash Used in / Generated from Financing Activities</b>                          |       | <b>6,943,420</b>                                | <b>24,291,803</b>                               |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>   |       | <b>(3,295,608)</b>                              | <b>6,297,229</b>                                |
| <b>EFFECT OF FOREIGN EXCHANGE DIFFERENCES</b>  |       |   |   |
| <b>ON CASH AND CASH EQUIVALENTS</b>  |       | <b>3,941</b>                                    | <b>(137,523)</b>                                |
| <b>NET EFFECT OF MONETARY GAIN</b>   |       |   |   |
| <b>ON CASH AND CASH EQUIVALENTS</b>  |       | <b>(1,301,349)</b>                              | <b>(272,508)</b>                                |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                        | 3     | <b>6,562,603</b>                                | <b>1,650,622</b>                                |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                              |       | <b>1,969,587</b>                                | <b>7,537,820</b>                                |

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



## **SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP**

Sasa Polyester Sanayi A.Ş. (“the Company”) was incorporated on 8 November 1966 in Adana. The Group is mainly engaged in the production and marketing of polyester fiber, yarns and related products and polyester chips. The Group is a subsidiary of Erdemoğlu Holding A.Ş. (“Erdemoğlu Holding”). The Group is controlled by Erdemoğlu Holding. Shares of Sasa Polyester Sanayi A.Ş. are quoted on the BIST 30 index of Borsa Istanbul A.Ş.

The address of the registered office is:

Sarı Hamzalı Mahallesi Turhan Cemal Beriker Bulvarı No:559 Seyhan/Adana.

As of 30 June 2024, number of employees of the Company is 4,114 (31 December 2023: 4,208).

#### **Subsidiaries**

The Company has founded its subsidiary, Sasa Dış Ticaret A.Ş. (“the Subsidiary”), with TL 2,000 paid in capital owning 100% of shares in accordance with the Board of Directors decision numbered 24 and dated 27 August 2015, in order to gain an effective structure to the Company's export operations.

The Company established its subsidiary Sasa Uluslararası Finansal Yatırım A.Ş. (“the Subsidiary”) with a capital of TL 20,000 in accordance with the decision of the Board of Directors dated 8 November 2022 and numbered 55, in order to provide an effective structure for the Company's activities to access financial resources. The Company owns 100% of Sasa Uluslararası Finansal Yatırım A.Ş. As at the balance sheet date, the Subsidiary has not yet commenced its operations.

Sasa and its subsidiaries, together will be referred to as “the Group”.

#### **Approval of Consolidated Financial Statements**

Board of Directors has approved the consolidated financial statements and delegated authority for publishing it on 23 August 2024. General Assembly has the authority to modify the consolidated financial statements.

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

##### **2.1 Basis of Presentation**

##### Statement of Compliance to TFRS

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué. The Group has prepared its condensed consolidated financial statements for the interim period ended June 30, 2024 in accordance with the Communiqué Serial: II, Communiqué No: 14.1 and announcements clarifying this communiqué, in accordance with TAS 34 “Interim Financial Reporting”. The condensed consolidated interim financial statements and notes are presented in accordance with the formats recommended by the CMB, including the mandatory disclosures. In accordance with TAS 34, entities are free to prepare condensed or full set of interim financial statements. In this framework, the Group has preferred to prepare condensed consolidated interim financial statements. The Group's condensed consolidated interim financial statements do not include all of the disclosures and footnotes required in the year-end consolidated financial statements and should therefore be read in conjunction with the Group's financial statements as at December 31, 2023.

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.1 Basis of Presentation (cont'd)**

###### Currency Used

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates. The results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

###### Going Concern

The consolidated financial statements are prepared on the going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities. As at 30 June 2024, the Group's current liabilities exceed its current assets by TL 27,108,893 in the consolidated statement of financial position. The Group management foresees the continuity of operational profitability. The management has assessed that this amount in the light of current conditions and expected forecasts and have concluded that this is not indicative of a material uncertainty which would cast significant doubt on the Group's ability to continue as a going concern. While reaching this conclusion, agreements that the management has reached as a result of negotiations with the banks, the Group's EBITDA performance, which is anticipated as increasing trend, and cash generation, as well as the introduction of new investments, and the cash flow estimates that emerged based on expectations regarding the production and sales volume have been effective in 2024.

The Group's liquidity management safeguards the Group's ability to meet its payment obligations at any time. For this purpose, liquidity planning provides information about all cash flows arising from operating and financial activities within the planning framework. The Group has obtained loans amounting to TL 7,646,835 from July 1, 2024 until the date of publication of the report by providing financing to meet its financial, operational activities and capital expenditures. The resulting financial requirements are met through the use of appropriate instruments for the liquidity method such as new bank loans, transfer of existing credit facilities and guarantees provided by shareholders.

For the reasons stated above, the going concern assumption is appropriate for the Group.

###### Basis of Consolidation

As of 30 June 2024 and 2023, the details of the Company's subsidiaries are as follows:

|   | <b>30 June 2024</b> | <b>31 December 2023</b> |
|---|---------------------|-------------------------|
| Sasa Dış Ticaret A.Ş.                   | 100%                | 100%                    |
| Sasa Uluslararası Finansal Yatırım A.Ş. | 100%                | 100%                    |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.1 Basis of Presentation (cont'd)**

###### Basis of Consolidation (cont'd)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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 Company 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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, 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 Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, accounting policies have been adjusted in the financial statements of subsidiaries in order to match the accounting policies followed by the Group, and all intragroup assets and liabilities, equity, income and expenses and cash flows from transactions between Group companies are eliminated on consolidation.

###### Financial Reporting in Hyperinflationary Economies.

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

##### 2.1 Basis of Presentation (cont'd)

###### Financial Reporting in Hyperinflationary Economies (cont'd)

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

In this framework, while preparing the consolidated financial statements dated 30 June 2024, inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

| Date       | Index    | Adjustment coefficient | Three-year cumulative inflation rates |
|------------|----------|------------------------|---------------------------------------|
| 30.06.2024 | 2,139.47 | 1.00000                | 324%                                  |
| 31.12.2023 | 1,859.38 | 1.24735                | 268%                                  |
| 30.06.2023 | 1,351.59 | 1.71597                | 190%                                  |

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 Financial Reporting in Hyperinflationary Economies is summarized below:

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.1 Basis of Presentation (cont'd)**

##### Restatement of financial statements during periods of high inflation

##### Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

##### Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

##### Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

##### Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are convert at the closing rate. When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

##### Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

## **SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.2 Offsetting**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

##### **2.3 New and Amended Turkish Financial Reporting Standards**

As of June 30, 2024, the accounting policies adopted in preparation of the consolidated financial statements for the year ended June 30, 2024 are as follows, effective as of January 1, 2024

The new and amended TFRSs and TFRS interpretations have been applied consistently with those of the previous year. The effects of these standards and interpretations on the financial position and performance of the Group explained in the relevant paragraphs.

##### **a) The new standards, amendments and interpretations effective from 1 January 2024**

###### **Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

###### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

These amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that meet the requirements in TFRS 15 to be recognized as sales. These amendments to TFRS 16 are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted. the process of assessing the impact of the amendments on financial position or performance of the Group.

## **SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.3 New and Amended Turkish Financial Reporting Standards (cont'd)**

###### **TSRS 1 General requirements for disclosure of sustainability-related financial information:**

TSRS 1 sets out general requirements for sustainability-related financial disclosures, requiring an entity to disclose information about sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions about funding the entity. The application of this standard is governed by POA's standard number 2024-5 dated January 5, 2024.

for the annual reporting periods beginning on or after January 1, 2024 for the entities in the announcement that meet the relevant criteria and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

###### **TSRS 2 Climate-related Disclosures:**

TSRS 2 sets out requirements for identifying, measuring and disclosing climate-related risks and opportunities that are useful to primary users of general purpose financial reports in making decisions about funding the entity. The application of this standard requires entities that meet the criteria in the POA's announcement dated January 5, 2024 and numbered 2024-5, and those that do not meet the criteria for banks for annual periods beginning on or after January 1, 2024. Other entities may voluntarily report in accordance with TSRS sale and leaseback transactions retrospectively in accordance with TAS 8. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

###### **Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

###### **b) New Standards issued but not yet effective and not early adopted:**

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements and have not been early adopted by the Company / Group are as follows. The Company / Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

## **SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.3 New and Amended Turkish Financial Reporting Standards (cont'd)**

###### **Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets by an Investor in an Associate or Joint Venture;**

In December 2017, POA postponed the effective date of the amendments to TFRS 10 and TAS 28 indefinitely, pending the outcome of an ongoing research project on the equity method. However, early adoption is still permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

###### **TFRS 17 - New Insurance Contracts Standard;**

In February 2019, POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that enables both the measurement of insurance contract liabilities at current balance sheet values and the recognition of profit over the period in which the services are provided. Some changes in estimates of future cash flows and risk adjustment are also recognized over 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. In addition, according to the amendments issued by POA in December 2021, entities have the transition option to “reconcile classifications” to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when TFRS 17 is first applied.

##### **c) Amendments that are effective from the date of issue**

###### **Amendments to IAS 12 - International Tax Reform - Second Pillar Model Rules:**

Amendments to IAS 12 - International Tax Reform - Second Pillar Model Rules\_In September 2023, the IASB will amend the second pillar of deferred tax assets related to income taxes issued amendments to IAS 12 that introduce a mandatory exception to the recognition and disclosure of liabilities. The amendments clarify that TAS 12 applies to inputs arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. In this scope\_The exemption for not recognizing and disclosing information about deferred taxes and the disclosure requirement that the exemption has been applied are applied when the amendment is issued. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.



## **SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### **NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

##### **2.3 New and Amended Turkish Financial Reporting Standards (cont'd)**

###### **d) Amendments issued by the International Accounting Standards Board (IASB) but not issued by POA:**

The following amendments to IAS 21 and IFRS 18 have been issued by the IASB published but not yet adapted/issued to TFRS by POA. For this reason, they do not form part of TFRS. The Group discloses the required disclosures in the consolidated financial statements and notes to the financial statements. amendments to IFRSs after the new Standard and amendments are issued and become effective under IFRSs. The following amendments to IAS 21 and IFRS 18 are issued by the IASB but not yet adapted/issued by the POA. Therefore, they do not form part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and amendments are issued and become effective under TFRS.

###### **Amendments to IAS 21 - Non-convertibility;**

In August 2023, the IASB issued amendments to IAS 21. The amendments clarify how to assess whether a currency is convertible and how to determine the exchange rate when a currency is not convertible. According to the amendments, when an exchange rate is estimated because a currency is not convertible, information is disclosed that enables users of the financial statements to understand how the non-convertibility of a currency affects, or is expected to affect, the entity's performance, financial position and cash flows. The amendment is not applicable for the Company / Group and there is no impact on the financial position or performance of the Company / Group.

###### **IFRS 18 - Presentation and Disclosures in New Financial Statements:**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the presentation of certain totals and subtotals. IFRS 18 requires entities to present all income and expenses included in the statement of profit or loss in one of five categories: operating activities, investing activities, financing activities, income taxes and discontinued operations. The standard also requires disclosure of performance measures established by management and IFRSs also introduce new requirements for aggregating or disaggregating financial information in accordance with the roles defined for the primary financial statements and notes to the financial statements. The issuance of IFRS18 also resulted in certain amendments to other financial reporting standards such as IAS 7, IAS 8 and IAS34. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

**NOTE 3 – CASH AND CASH EQUIVALENTS**

|                 | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|-----------------|----------------------------|--------------------------------|
| Cash            | 1,496                      | 132                            |
| Cash at Banks   | 1,968,091                  | 6,562,471                      |
| -Demand Deposit | 1,743,091                  | 5,720,509                      |
| -Time Deposit   | 225,000                    | 841,961                        |
|                 | <b>1,969,587</b>           | <b>6,562,603</b>               |

As of 30 June 2024, the details of the Group's time deposits are as follows.

| <b><u>Currency</u></b> | <b><u>Interest Rate (%)</u></b> | <b><u>Maturity</u></b> | <b><u>30 June 2024</u></b> |
|------------------------|---------------------------------|------------------------|----------------------------|
| TL                     | 49.50                           | 1 July 2024            | 225,000                    |

As of 31 December 2023, the details of the Group's time deposits are as follows.

| <b><u>Currency</u></b> | <b><u>Interest Rate (%)</u></b> | <b><u>Maturity</u></b> | <b><u>31 December 2024</u></b> |
|------------------------|---------------------------------|------------------------|--------------------------------|
| TL                     | 41.00                           | 2 January 2024         | 841,961                        |

As of 30 June 2024, the Group does not have any blocked deposits with a maturity longer than 3 months. (31 December 2023: None.)

**NOTE 4 – FINANCIAL INSTRUMENTS****Financial Borrowings****Short-Term Financial Borrowings**

|   | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|---|----------------------------|--------------------------------|
| Short-term bank loans                       | 23,854,729                 | 13,805,503                     |
| Short-term portions of long-term borrowings | 18,117,789                 | 14,712,883                     |
| Lease liabilities                           | 129,849                    | 195,995                        |
|   | <b>42,102,367</b>          | <b>28,714,381</b>              |

**Long-Term Financial Borrowings**

|                          | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|--------------------------|----------------------------|--------------------------------|
| Long-term bank loans     | 36,182,424                 | 52,563,109                     |
| Convertible bonds issued | 3,547,704                  | -                              |
| Lease liabilities        | 141,575                    | 217,903                        |
|                          | <b>39,871,703</b>          | <b>52,781,012</b>              |
|                          | <b>81,974,070</b>          | <b>81,495,393</b>              |

# SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

### NOTE 4 – FINANCIAL INSTRUMENTS(cont'd)

#### Financial Borrowings (cont'd)

##### a) Bank loans

As of 30 June 2024 and 31 December 2023, bank loans and interest accruals related to these loans are as follows:

| Principal<br><br>Original<br>Currency | 30 June 2024   |                        |                   | 31 December 2023   |                        |                   |
|---------------------------------------|--|------------------------|-------------------|--|------------------------|-------------------|
|                                       | Weighted<br>average<br>effective<br>interest rate<br>(%) | Original<br>amount (*) | TL                | Weighted<br>average<br>effective<br>interest<br>rate (%) | Original<br>amount (*) | TL                |
| TL                                    | 23,31  | -                      | 4,031,152         | 26,38  | -                      | 11,167,823        |
| US Dollar                             | 8,00   | 673,679                | 22,154,136        | 8,48   | 400,887                | 14,747,024        |
| Euro                                  | 6,66   | 1,420,968              | 50,006,291        | 6,73   | 1,328,587              | 54,079,184        |
|                                       |  |                        | <b>76,191,579</b> |  |                        | <b>79,994,031</b> |
| <b>Interest accrues</b>               |  |                        |                   |  |                        |                   |
| TL                                    | -  | -                      | 872,735           | -  | -                      | 355,184           |
| US Dollar                             | -  | 11,826                 | 388,914           | -  | 3,382                  | 124,419           |
| Euro                                  | -  | 19,940                 | 701,714           | -  | 14,934                 | 607,861           |
|                                       |  |                        | <b>78,154,942</b> |  |                        | <b>81,081,495</b> |

(\*) Amounts are expressed in EUR 1,000 and USD 1,000.

The repayment schedule of the bank loans as follows:

|                    | <u>30 June 2024</u> | <u>31 December 2023</u> |
|--------------------|---------------------|-------------------------|
| Within 1 year      | 41,972,518          | 28,518,386              |
| Within 1–2 years   | 6,970,508           | 16,474,661              |
| Within 2–3 years   | 6,136,988           | 6,883,788               |
| Within 3–4 years   | 5,960,703           | 6,757,618               |
| Within 4–5 years   | 4,289,309           | 5,831,608               |
| 5 years and longer | 12,824,916          | 16,615,434              |
|                    | <b>78,154,942</b>   | <b>81,081,495</b>       |

**SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2024**

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

**NOTE 4 – FINANCIAL INSTRUMENTS(cont'd)****Financial Borrowings (cont'd)****b) Lease liabilities**

| Distribution of lease liabilities | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|-----------------------------------|----------------------------|--------------------------------|
| Short-term                        | 129,849                    | 195,996                        |
| Long-term                         | 141,575                    | 217,903                        |
|                                   | <b>271,424</b>             | <b>413,899</b>                 |
| <b>Maturity distribution:</b>     | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
| Within 1 year                     | 129,849                    | 195,996                        |
| Within 1–2 years                  | 45,254                     | 80,053                         |
| Within 2–3 years                  | 47,165                     | 53,436                         |
| Within 3–4 years                  | 49,156                     | 55,693                         |
| Within 4–5 years                  | -                          | 28,721                         |
|                                   | <b>271,424</b>             | <b>413,899</b>                 |

Leases are related to the purchase of production equipment with a lease term of 4-5 years. The Group's liabilities regarding financial leasing are secured by the ownership right of the lessor on the leased asset. On the contract date, interest rates for financial leasing transactions are fixed for the entire lease period. Average effective contract interest rate is approximately 5.33% annually (2023: 5.19%). Lease contracts currency is Euro.

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

##### Financial Borrowings (cont'd)

##### c) Convertible Bonds

The issuance and sale transactions of the Turkish Lira denominated contingent convertible debt instrument, which was issued to be sold to Erdemoğlu Holding A.Ş., the controlling shareholder of the Company, on a private placement basis without a public offering in the domestic market, were completed on January 22, 2024 with a principal amount of TL 3,547,704 and a closing/settlement date of January 22, 2024.

The debt instrument has the status of subordinated debt with low priority in repayment. In other words, it is accounted for as equity. Due to its risky nature, the debt instrument was not offered to qualified or institutional investors or to the public, but was sold on a private placement basis to Erdemoğlu Holding A.Ş., the controlling shareholder of the issuer. The debt instrument was issued as non-maturity, non-discounted and with annual coupon payments. Coupon interest rate will be calculated daily over TLREF rates announced by Borsa Istanbul and will be paid in cash. If the redemption occurs before the coupon payment date, daily interest will be calculated until the redemption date and will be paid in cash.

The entire debt instrument will be automatically converted into SASA shares to be traded on Borsa Istanbul in the event that the condition “(Net Debt/EBITDA)≥1” to be calculated over the 6-month and 12-month independently audited Consolidated Financial Statements prepared in accordance with the Turkish Financial Reporting Standards (TFRS) in accordance with the capital markets legislation to be announced on the Public Disclosure Platform (KAP) starting from the financial results of the issuer dated June 30, 2024 is met.

Except for the announced triggering borrowing ratio condition, neither Erdemoğlu Holding A.Ş. nor the issuer will have a discretionary conversion right regarding the conversion of the debt instrument into newly issued shares.

The Conversion Price corresponding to 1 lot (TL 1 nominal) of shares traded on Borsa Istanbul (BIST) and the Conversion Ratio calculated for the debt instrument with a nominal value of TL 100,000 are as follows:

Conversion Price : TL 6.625

Conversion Rate : 15,094.34 lots

There are no records on the debt instrument restricting the transfer and circulation of the debt instrument and it will not be traded on any stock exchange.

| Currency | 30 June 2024      |                     |                  | 31 December 2023  |                     |          |
|----------|-------------------|---------------------|------------------|-------------------|---------------------|----------|
|          | Interest rate (%) | Currency amount (*) | TL               | Interest rate (%) | Currency amount (*) | TL       |
| TL       | 49.17             | -                   | 3,547,704        | -                 | -                   | -        |
|          |                   |                     | <b>3,547,704</b> |                   |                     | <b>-</b> |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

##### Financial Borrowings (cont'd)

##### d) Reconciliation of the liabilities arising from financial activities

Cash and non-cash changes in the Group's liabilities arising from financing activities are presented in the table below. Liabilities from financing activities are cash flows that have been or will be reclassified to cash flows from financing activities in the Group's consolidated statement of cash flows.

|   | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|---|----------------------------|--------------------------------|
| <b>Opening balance</b>                              | <b>81,495,393</b>          | <b>53,749,016</b>              |
| Interest expense                                    | 2,984,951                  | 8,933,346                      |
| Interest paid                                       | (2,938,900)                | (8,458,242)                    |
| Exchange rate difference                            | 4,749,420                  | 19,240,248                     |
| Capitalized borrowing costs (Not 10)                | 2,437,545                  | 1,877,711                      |
| Payments for lease liabilities                      | (89,909)                   | (214,330)                      |
| New loans received                                  | 28,150,293                 | 87,857,930                     |
| Repayments of loans                                 | (21,208,311)               | (52,479,947)                   |
| Cash inflows from debt instruments issued (Note 27) | 3,547,704                  | -                              |
| Share conversions of issued debt instruments        | -                          | (3,650,103)                    |
| Commission expenses                                 | 211,355                    | 128,072                        |
| Paid commission                                     | (211,355)                  | (128,072)                      |
| Monetary gain                                       | (17,154,116)               | (25,360,236)                   |
| <b>Closing balance</b>                              | <b>81,974,070</b>          | <b>81,495,393</b>              |

#### NOTE 5 - TRADE RECEIVABLES AND PAYABLES

##### Trade Receivables

|  | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|--|----------------------------|--------------------------------|
| Trade receivables (*)                      | 6,618,585                  | 10,135,538                     |
| Checks received (**)                       | 3,668,653                  | 3,205,682                      |
| Provision for doubtful receivables         | (8,683)                    | (7,681)                        |
|  | <b>10,278,555</b>          | <b>13,333,539</b>              |
| Receivables from related parties (Note 27) | 371,142                    | 87,778                         |
|  | <b>10,649,697</b>          | <b>13,421,317</b>              |

(\*) As of 30 June 2024, trade receivables are discounted by using monthly 4,58% for TL, 0,83% for US Dollar, 0,71% for Euro (As of 31 December 2023: 4.11% for TL, 0.72% for US Dollar, 0.91% for Euro).

(\*\*) Notes received constitute the notes obtained from customers and kept in portfolio as a result of trade activities and consist of TL 2,498,448 with maturities of less than three months (31 December 2023: TL 1,529,711).

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**NOTE 5 - TRADE RECEIVABLES AND PAYABLES (cont'd)****Trade Receivables (cont'd)**

The table of trade receivables that are past due but not impaired is as follows.

| <b>Overdue period</b> | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|-----------------------|----------------------------|--------------------------------|
| Up to 1 month         | 1,459,376                  | 1,079,048                      |
| 1 - 3 months          | 267,512                    | 272,078                        |
| More than 3 months    | 100,933                    | 40,225                         |
|                       | <b>1,827,821</b>           | <b>1,391,351</b>               |

As of 30 June 2024 and 31 December 2023, due to existence of direct debiting system, bank guarantee, mortgage and customer cheques, the Group has not allocated any provision in the consolidated financial statements relation to trade receivables that were past due but not impaired.

The analysis of overdue receivables and provision for doubtful receivables as follows:

| <b>Overdue period</b> | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|-----------------------|----------------------------|--------------------------------|
| Over 6 months         | 8,683                      | 7,681                          |
|                       | <b>8,683</b>               | <b>7,681</b>                   |

The Group measures impairment for trade receivables based on lifetime expected credit losses. Expected credit losses on trade receivables are estimated using an allowance matrix that is constructed by analyzing customers' past defaults, analyzing their current financial position and taking into account the general economic conditions of the industry in which the customer operates and the conditions at the reporting date. The Group provides 100% allowance for uncollateralized receivables that are 6 months or more past due based on past experience of uncollectibility risk.

As of June 30, 2024 and 2023, the movement of provision for doubtful receivables is as follows

|                                    | <b><u>1 January –<br/>30 June 2024</u></b> | <b><u>1 January –<br/>30 June 2023</u></b> |
|------------------------------------|--|--|
| <b>Balances as of 1 January</b>    | <b>(10,567)</b>                            | <b>(7,376)</b>                             |
| Provision for the period           | (1,002)                                    | -  |
| Provision closed during the period | -  | -  |
| Monetary gain                      | 2,886                                      | (305)                                      |
| <b>Balances as of 30 June</b>      | <b>(8,683)</b>                             | <b>(7,681)</b>                             |

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**NOTE 5 - TRADE RECEIVABLES AND PAYABLES (cont'd)****Trade Payables (Short-term)**

|                    | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|--------------------|----------------------------|--------------------------------|
| Trade payables (*) | 11,046,645                 | 10,782,907                     |
|                    | <b>11,046,645</b>          | <b>10,782,907</b>              |

|                    | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|--------------------|----------------------------|--------------------------------|
| Trade payables (*) | 1,644,265                  | -                              |
|                    | <b>1,644,265</b>           | <b>-</b>                       |

(\*) As of 30 June 2024, trade payables are discounted by using monthly 4,58% for TL, 0,83% for USD, 0,71% for EUR (31 December 2023: 4,11% for TL, 0,72% for USD, 0,91% for EUR).

As of 30 June 2024, average turnover for trade receivables and trade payables are 18 days and 242 days, respectively (31 December 2023: 44 days and 108 days).

**NOTE 6 – PAYABLES RELATED TO EMPLOYEE BENEFITS**

|                                  | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|----------------------------------|----------------------------|--------------------------------|
| Social security premiums payable | 172,137                    | 143,077                        |
| Due to personnel                 | 90,931                     | 75,391                         |
|                                  | <b>263,068</b>             | <b>218,468</b>                 |

**NOTE 7 – OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME****Other Current Receivables**

|                               | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|-------------------------------|----------------------------|--------------------------------|
| Deposits and guarantees given | 401                        | 309                            |
| Other receivables (*)         | 32,564                     | 30,328                         |
|                               | <b>32,965</b>              | <b>30,637</b>                  |

(\*) Other receivables consist of interest income, prepaid taxes and funds, business and service advances.



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**NOTE 7 – OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME (cont'd)****Other Payables**

|                                | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|--------------------------------|----------------------------|--------------------------------|
| Taxes, duties and fees payable | 298,292                    | 320,810                        |
| Tax debts in installments      | 1,410                      | 4,397                          |
|                                | <b><u>299,702</u></b>      | <b><u>325,207</u></b>          |

**Deferred Income**

|   | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|---|----------------------------|--------------------------------|
| Advances taken                                | 2,546,713                  | 3,293,941                      |
| Advances taken from related parties (Note 27) | 538,780                    | 449,127                        |
|   | <b><u>3,085,493</u></b>    | <b><u>3,743,068</u></b>        |

**NOTE 8 – INVENTORIES**

|                       | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|-----------------------|----------------------------|--------------------------------|
| Raw materials         | 5,291,870                  | 4,184,193                      |
| Finished goods        | 3,936,518                  | 4,933,983                      |
| Goods in transit (*)  | 5,678,320                  | 4,556,052                      |
| Spare parts           | 230,592                    | 286,469                        |
| Semi – finished goods | 124,266                    | 111,441                        |
| Other inventories     | 111,628                    | 123,724                        |
|                       | <b><u>15,373,194</u></b>   | <b><u>14,195,862</u></b>       |

(\*) This amount consists of raw material purchases that are in transit as of the reporting period.

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#### NOTE 9 - PREPAID EXPENSES

##### Prepaid Expenses (Short-Term)

|                            | <u>30 June 2024</u> | <u>31 December 2023</u> |
|----------------------------|---------------------|-------------------------|
| Prepaid insurance expenses | 4,919               | 544,322                 |
| Other prepaid expenses     | 709,269             | 219,217                 |
|                            | <u>714,188</u>      | <u>763,539</u>          |

##### Prepaid Expenses (Long-Term)

|                                     | <u>30 June 2024</u> | <u>31 December 2023</u> |
|-------------------------------------|---------------------|-------------------------|
| Given advances for fixed assets (*) | 3,763,837           | 3,083,457               |
|                                     | <u>3,763,837</u>    | <u>3,083,457</u>        |

(\*) The balance consists of the advance payments made by the Group for the fixed assets purchases related to its investments.

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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#### NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and related accumulated depreciation for the accounting periods ended 30 June 2024 and 2023 is as follows:

|                                 | 1 January 2024     | Additions         | Transfers | Disposals       | 30 June 2024       |
|---------------------------------|--------------------|-------------------|-----------|-----------------|--------------------|
| <b>Cost</b>                     |                    |                   |           |                 |                    |
| Land                            | 15,802,043         | 1,384,806         | -         | -               | 17,186,849         |
| Land improvements               | 227,026            | 22,030            | -         | -               | 249,056            |
| Buildings                       | 4,705,968          | 18,882            | (6,013)   | (43)            | 4,718,794          |
| Machinery, plant and equipment  | 31,312,438         | 62,745            | 6,013     | (10,397)        | 31,370,799         |
| Vehicles                        | 142,731            | -                 | -         | (1)             | 142,730            |
| Furniture and fixtures          | 389,082            | -                 | -         | (1,064)         | 388,018            |
| Construction in progress (*)    | 64,536,680         | 16,690,887        | -         | -               | 81,227,567         |
|                                 | <b>117,115,968</b> | <b>18,179,350</b> | <b>-</b>  | <b>(11,505)</b> | <b>135,283,813</b> |
| <b>Accumulated depreciation</b> |                    |                   |           |                 |                    |
| Land improvements               | 162,079            | 2,178             | -         | -               | 164,257            |
| Buildings                       | 1,620,263          | 76,463            | -         | -               | 1,696,726          |
| Machinery, plant and equipment  | 10,991,214         | 627,230           | -         | (23)            | 11,618,421         |
| Vehicles                        | 95,226             | 9,420             | -         | -               | 104,646            |
| Furniture and fixtures          | 191,002            | 20,981            | -         | (3)             | 211,980            |
|                                 | <b>13,059,784</b>  | <b>736,272</b>    | <b>-</b>  | <b>(26)</b>     | <b>13,796,030</b>  |
| <b>Net book value</b>           | <b>104,056,184</b> |                   |           |                 | <b>121,487,783</b> |

(\*) During the period ended 30 June 2024, capitalized borrowing costs for construction in progress is amounting to TL 2,437,545 (31 December 2023: TL 1,877,711) (Note 4). As of 30 June 2024, the Group has mortgage on property, plant and equipment amounting to TL 62,710,378 (31 December 2023: TL 70,123,474) (Note 13).

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 10 – PROPERTY, PLANT AND EQUIPMENT (cont'd)

|                                 | 1 January 2023    | Additions         | Transfers | Disposals      | 30 June 2024       |
|---------------------------------|-------------------|-------------------|-----------|----------------|--------------------|
| <b>Cost</b>                     |                   |                   |           |                |                    |
| Land                            | 15,920,552        | 164,416           | -         | -              | 16,084,968         |
| Land improvements               | 226,915           | -                 | 7         | -              | 226,922            |
| Buildings                       | 4,855,483         | 12,364            | 33        | -              | 4,867,880          |
| Machinery, plant and equipment  | 33,579,573        | 806,094           | 511,510   | (1,263)        | 34,895,914         |
| Vehicles                        | 132,061           | 4,252             | 1,239     | -              | 137,552            |
| Furniture and fixtures          | 343,503           | 14,368            | 4,125     | (2,196)        | 359,800            |
| Construction in progress (*)    | 32,537,998        | 14,768,765        | (516,914) | -              | 46,789,849         |
|                                 | <b>87,596,085</b> | <b>15,770,259</b> | <b>-</b>  | <b>(3,459)</b> | <b>103,362,885</b> |
| <b>Accumulated depreciation</b> |                   |                   |           |                |                    |
| Land improvements               | 147,093           | 2,224             | -         | -              | 149,317            |
| Buildings                       | 1,391,056         | 74,948            | -         | -              | 1,466,004          |
| Machinery, plant and equipment  | 9,401,386         | 645,888           | -         | (12)           | 10,047,262         |
| Vehicles                        | 61,531            | 9,227             | -         | -              | 70,758             |
| Furniture and fixtures          | 127,394           | 18,040            | -         | (2)            | 145,432            |
|                                 | <b>11,128,460</b> | <b>750,327</b>    | <b>-</b>  | <b>(14)</b>    | <b>11,878,773</b>  |
| <b>Net book value</b>           | <b>76,467,625</b> |                   |           |                | <b>91,484,112</b>  |

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#### NOT 10 – PROPERTY, PLANT AND EQUIPMENT (cont'd)

##### Fair value measurement of the Group's freehold lands

Land and land owned by the Group are carried at fair value at the revaluation date.

Details of the Group's freehold lands and information about the fair value hierarchy as of 30 June 2024 are as follows:

There were no transfers between levels during the period.

Movement of lands which is revalued in Level 3 is as follows:

|                        | <b>1 January –<br/>30 June 2024</b> | <b>1 January –<br/>30 June 2023</b> |
|------------------------|-------------------------------------|-------------------------------------|
| <b>Opening balance</b> | <b>15,802,043</b>                   | <b>15,920,552</b>                   |
| Additions              | 1,384,806                           | 164,416                             |
| <b>Closing balance</b> | <b>17,186,849</b>                   | <b>16,084,968</b>                   |

As of June 31, 2024 and 2023, total depreciation and amortization expense (property, plant and equipment and intangible assets) and the related income statement accounts are as follows:

|   | <b>1 January -<br/>30 June 2024</b> | <b>1 January -<br/>30 June 2023</b> |
|---|-------------------------------------|-------------------------------------|
| Production cost (Note: 17)                              | 740,174                             | 742,400                             |
| General administrative expenses (Note: 18)              | 21,069                              | 9,398                               |
| Marketing, selling and distribution expenses (Note: 18) | 11,886                              | 4,196                               |
| Research expenses (Note: 18)                            | 3,565                               | 333                                 |
|   | <b>776,694</b>                      | <b>756,327</b>                      |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

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#### NOTE 11 – INTANGIBLE ASSETS

The movement of intangible assets and related accumulated amortization for the periods ended 30 June 2024 and 2023 is as follows:

|                                 | 1 January 2024 | Additions     | 30 June 2024   |
|---------------------------------|----------------|---------------|----------------|
| <b>Cost</b>                     |                |               |                |
| Software and development costs  | 714,313        | 4,818         | 719,131        |
|                                 | <b>714,313</b> | <b>4,818</b>  | <b>719,131</b> |
| <b>Accumulated amortization</b> |                |               |                |
| Software and development costs  | 267,683        | 40,422        | 308,105        |
|                                 | <b>267,683</b> | <b>40,422</b> | <b>308,105</b> |
| <b>Net book value</b>           | <b>446,630</b> |               | <b>411,026</b> |

|                                 | 1 January 2023 | Additions    | 30 June 2023   |
|---------------------------------|----------------|--------------|----------------|
| <b>Cost</b>                     |                |              |                |
| Software and development costs  | 271,393        | 4,336        | 275,729        |
|                                 | <b>271,393</b> | <b>4,336</b> | <b>275,729</b> |
| <b>Accumulated amortization</b> |                |              |                |
| Software and development costs  | 244,196        | 6,001        | 250,197        |
|                                 | <b>244,196</b> | <b>6,001</b> | <b>250,197</b> |
| <b>Net book value</b>           | <b>27,197</b>  |              | <b>25,532</b>  |

The income statement accounts related to the total amortization for the accounting periods ending on 30 June 2024 and 2023 are given in Note 10.

#### NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### Provision for Litigation

|                              | <u>30 June 2024</u> | <u>31 December 2023</u> |
|------------------------------|---------------------|-------------------------|
| Provision for litigation (*) | 9,371               | 7,999                   |
|                              | <b>9,371</b>        | <b>7,999</b>            |

(\*) The related expense provision includes the probable expenses related to the lawsuits filed against the Group by the employees whose employment contracts have been terminated due to the changes in the work organization and the lawsuits filed against the Group for reinstatement and other receivable lawsuits. These lawsuits have not been finalized as of the report date.

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**NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES(cont'd)**

As of 30 June 2024 and 2023, the movement tables of the provision for litigation are as follows:

|   | <b>1 January –<br/>30 June 2024</b> | <b>1 January –<br/>30 June 2023</b> |
|---|-------------------------------------|-------------------------------------|
| <b>Balances as of 1 January</b>         | <b>7,999</b>                        | <b>8,099</b>                        |
| Provision for the period                | 3,052                               | 772                                 |
| Provision written-off within the period | (94)                                | (52)                                |
| Monetary gain                           | (1,586)                             | (902)                               |
| <b>Balances at 30 June</b>              | <b>9,371</b>                        | <b>7,917</b>                        |

**NOTE 13 – COMMITMENTS**

As of 30 June 2024 and 31 December 2023, the total of commitments not included in the liabilities:

**Commitments based on export incentive certificates**

|   | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|---|----------------------------|--------------------------------|
| Total amount of export commitment of certificates   | 73,343,642                 | 97,814,616                     |
| Total amount of export commitment of documents which are presently fulfilled but closing transactions are not concluded yet | 10,307,620                 | 32,453,852                     |
| Total export commitment of open documents registered in the document  | 63,036,022                 | 65,360,765                     |
| Open export incentives  | 42,355,276                 | 42,691,336                     |
|   | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
| Open Letter of Credits  | 7,521,371                  | 7,149,058                      |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 13 – COMMITMENTS(cont'd)

##### Collaterals, pledges and mortgages (CPM) given by the Group

|  | 30 June 2024      |                  |               |                  | 31 December 2023  |                  |               |                  |
|--|-------------------|------------------|---------------|------------------|-------------------|------------------|---------------|------------------|
|  | TL<br>Equivalent  | TL               | US<br>Dollar  | Euro             | TL Equivalent     | TL               | US Dollar     | Euro             |
| A. Total CPMs given for Company's Own Legal Entity (*)   | 73,349,861        | 5,570,157        | 88,484        | 1,843,329        | 77,241,383        | 5,276,594        | 42,218        | 1,729,837        |
| B. Total CPMs Given on Behalf of Fully Consolidated Companies  | -                 | -                | -             | -                | -                 | -                | -             | -                |
| C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties                 | -                 | -                | -             | -                | -                 | -                | -             | -                |
| D. Total Amount of Other CPMs  | -                 | -                | -             | -                | -                 | -                | -             | -                |
| - Total Amount of CPMs Given on Behalf of the Parent   | -                 | -                | -             | -                | -                 | -                | -             | -                |
| - Total Amount of CPMs Given to on Behalf of Other Group Companies Which are Not in Scope of B and C | -                 | -                | -             | -                | -                 | -                | -             | -                |
| - Total Amount of CPMs Given to on Behalf of Third Parties Which are Not in Scope of C               | -                 | -                | -             | -                | -                 | -                | -             | -                |
| <b>Total CPM</b>   | <b>73,349,861</b> | <b>5,570,157</b> | <b>88,484</b> | <b>1,843,329</b> | <b>77,241,383</b> | <b>5,276,594</b> | <b>42,218</b> | <b>1,729,837</b> |

(\*) The amounts are expressed in EUR 1,000 and US Dollar 1,000.

Collaterals mainly consist of guarantees given to suppliers in relation to bank loans used for investments. In addition, there is a pledge of machinery amounting to TL 62,710,378 (31 December 2023: TL 70,123,474).

As of 30 June 2024, the percentage of the other CPM's given by the Group to the total equity is 0% (31 December 2023: 0%).

Guarantees received as of 30 June 2024 and 31 December 2023 are as follows:

|                               | <u>30 June 2024</u> | <u>31 December 2023</u> |
|-------------------------------|---------------------|-------------------------|
| Letters of guarantee received | 2,465,399           | 3,773,683               |
|                               | <b>2,465,399</b>    | <b>3,773,683</b>        |



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**NOTE 14 - PROVISIONS FOR EMPLOYEE BENEFITS****Provisions for long-term employee benefits**

|   | <b><u>30 June 2024</u></b> | <b><u>31 December 2023</u></b> |
|---|----------------------------|--------------------------------|
| Provision for employment termination benefits | 239,141                    | 155,953                        |
| Accumulated provision for unused vacation     | 36,599                     | 32,081                         |
|   | <b><u>275,740</u></b>      | <b><u>188,034</u></b>          |

**Accumulated provision for unused vacation**

The Group grants paid annual leave to its employees on condition that they have worked for at least one year from the day they start to work, including the trial period.

Movements of accumulated provision for unused vacation as of 30 June 2024 and 2023 are as follows:

|                                      | <b><u>1 January –<br/>30 June 2024</u></b> | <b><u>1 January –<br/>30 June 2023</u></b> |
|--------------------------------------|--|--|
| <b>Balances as of 1 January</b>      | <b>32,081</b>                              | 36,907                                     |
| Provision for the period             | 35,357                                     | 18,735                                     |
| Provision released during the period | (24,477)                                   | (13,474)                                   |
| Monetary gain / loss                 | (6,362)                                    | (10,087)                                   |
| <b>Balances at 30 June</b>           | <b>36,599</b>                              | <b>32,081</b>                              |

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#### NOTE 14 - PROVISIONS FOR EMPLOYEE BENEFITS (cont'd)

##### **Provision for Employment Termination Benefits**

There are no agreements for pension commitments other than the legal requirement as explained below. Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated due to retirement, is called up for military service, whose employment is terminated without due cause excluding 25/2 article of labor law, who has fulfilled all requirements other than necessary age limit for retirement pension-pay according to the Social Security Institution, women who ends their employment in one year due to marriage or to lawful heirs of employees who dies. As of 8 September 1999, related labor law was changed and retirement requirements made gradual.

As at 30 June 2024, the maximum amount payable consists of TL 41.83 per month for each year of service (31 December 2023: TL 35.06) is subject to the ceiling.

The liability is not funded, as there is no funding requirement. The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Turkish Financial Reporting Standards require actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

|  | <b><u>30 June 2024</u></b> | <b><u>31 March 2023</u></b> |
|--|----------------------------|-----------------------------|
| Discount rate (%)  | 3,40                       | 3,50                        |
| Retention rate to estimate probability of retirement (%) | 95                         | 98                          |

Discount rate is derived upon the difference of long-term interest's rates in TL and the expected inflation rate. The principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 41.83 (1 January 2023: TL 19.98), which is expected to be effective from 1 January 2024, has been taken into consideration in calculating the provision for employment termination benefits of the Group:

|                              | <b><u>1 January –<br/>30 June 2024</u></b> | <b><u>1 January –<br/>30 June 2023</u></b> |
|------------------------------|--|--|
| <b>Balances at 1 January</b> | <b>155,953</b>                             | 308,919                                    |
| Provision for the period     | 137,977                                    | 162,513                                    |
| Payment within the period    | (26,398)                                   | (218,079)                                  |
| Actuarial gain               | (29,338)                                   | -  |
| Monetary gain / loss         | 947  | (97,400)                                   |
| <b>Balances at 30 June</b>   | <b>239,141</b>                             | <b>155,953</b>                             |

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#### NOTE 15 - OTHER ASSETS AND LIABILITIES

##### Other Current Assets

|  | <u>30 June 2024</u> | <u>31 December 2023</u> |
|--|---------------------|-------------------------|
| VAT return receivables from export and domestic market sales (*) | 851,414             | 636,375                 |
| VAT carried forward  | 106,708             | 292,209                 |
|  | <b>958,122</b>      | <b>928,584</b>          |

(\*) As of 30 June 2024, the Group has completed the application process for TL 456,047 of the VAT receivable amounting to TL 851,414 and as of the report publication date, TL 306,840 of the refund application has been collected (31 December 2023: TL 510,182).

#### NOTE 16 – EQUITY

Sasa Polyester Sanayi A.Ş fully paid and issued capital each Kr 1 nominal value of 541,001,411,800 shares (31 December 2023: 532,165,379,410). The shareholders and shareholding structure of the Group as of 30 June 2024 and 31 December 2023 are as follows.

|                                | <u>30 June 2024</u> |                         | <u>31 December 2023</u> |                         |
|--------------------------------|---------------------|-------------------------|-------------------------|-------------------------|
|                                | <u>Share amount</u> | <u>Share percentage</u> | <u>Share amount</u>     | <u>Share percentage</u> |
| Erdemoğlu Holding A.Ş.         | 3,032,094           | 56,05                   | 2,938,234               | 55,21                   |
| Merinos Halı San. ve Tic. A.Ş. | 1,102,191           | 20,37                   | 1,102,191               | 20,71                   |
| Other                          | 1,275,729           | 23,58                   | 1,281,229               | 24,08                   |
| <b>Share Capital</b>           | <b>5,410,014</b>    | <b>100.00</b>           | <b>5,321,654</b>        | <b>100.00</b>           |
| Adjustments to share capital   | 12,764,167          |                         | 12,738,316              |                         |
| <b>Total capital</b>           | <b>18,174,181</b>   |                         | <b>18,059,970</b>       |                         |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 16 – EQUITY(cont'd)

Shareholders' equity items of Group as of 30 June 2024 and 31 December 2023 prepared in accordance with the Communiqué No: XI-29 are as follows:

|  | <b>30 June 2024</b> | <b>31 December 2023</b> |
|--|---------------------|-------------------------|
| Paid-in Capital                                      | 5,410,014           | 5,321,654               |
| Adjustments to Capital (*)                           | 12,764,167          | 12,738,316              |
| Repurchased Shares (**)                              | (1,784)             | (1,784)                 |
| Restricted Reserves Appropriated from Profit         | 21,002,776          | 1,393,979               |
| Share Premiums                                       | 9,296,883           | 4,950,117               |
| Prior Years' Profits                                 | 32,826,148          | 29,742,952              |
| Defined Benefit Plans Remeasurement Losses           | (50,275)            | (28,272)                |
| Gain on Revaluation of Property, Plant and Equipment | 5,322,540           | 5,322,540               |
| Net Profit for the Period                            | 13,720,549          | 22,691,993              |
| <b>Total equity</b>                                  | <b>100,291,018</b>  | <b>82,131,495</b>       |

(\*) Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.

(\*\*) Represents publicly traded shares that are repurchased by the Company.

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#### NOTE 16 – EQUITY (cont'd)

##### **Restricted Reserves Appropriated from Profit**

The restricted reserves appropriated from profit consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Group’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital.

In accordance with the CMB’s requirements which were effective until 1 January 2008, the amount generated from first-time application of inflation adjustments on financial statements and followed under the “accumulated loss” item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB’s regulation issued on profit distribution. The related amount that was followed under the “accumulated loss” item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB’s requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely “Capital issue premiums”, “Legal reserves”, “Statutory reserves”, “Special reserves” and “Extraordinary reserves” were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the “Shareholders’ equity inflation restatement differences” line item in aggregate. “Shareholders’ equity inflation restatement differences” related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue; cash profit distribution or loss offsetting.

In accordance with the Communiqué No: XI-29 and related announcements of CMB, effective from 1 January 2008, “Share capital”, “Restricted Reserves Appropriated from Profit” and “Share Premiums” shall be carried at their statutory amounts. The valuation differences (such as differences arising from inflation adjustments) shall be disclosed as follows:

- If the difference is arising due to the inflation adjustment of “Paid-in capital” and not yet been transferred to capital should be classified under the “Inflation adjustment to share capital”;
- If the difference is due to the inflation adjustment of “Restricted reserves appropriated from profit” and “Share premium” and the amount has not been utilized in dividend distribution or capital increase yet, it shall be classified under “Prior years’ profits / losses”. Other equity items are presented at amounts that are valued under Turkish Accounting Standards.

There is no other usage other than the addition of capital adjustment differences to the capital.

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#### **NOTE 16 – EQUITY (cont'd)**

##### **Dividend Distribution**

Listed companies shall distribute their profit in accordance with the Capital Market Board's Communiqué on Dividends II-19.1 which is effective from 1 February 2014.

Companies shall distribute their profits as part of the profit distribution policies to be determined by their general assemblies and in accordance with the related regulation provisions. A minimum distribution rate has been determined as 50% of profit available for distribution according to dated 2013 Ordinary General Assembly decision which occurred on 24 March 2014.

Dividends shall be distributed to all existing shares equally, as soon as possible, regardless of their issuance and acquisition dates. In addition to the aforementioned, dividends shall be distributed to the shareholders on the date determined by the General Assembly following the approval of the General Assembly within the specified legal periods. Distribution of advance dividends to the shareholders is also possible by the decision of the Board of Directors, if the General Assembly authorizes, in accordance with the Group's Articles of Association.

##### *Resources that can be Subject to Profit Distribution:*

As of the reporting date, the Group has a profit for the period amounting to TL 3,136,717 in its statutory records which can be subject to profit distribution.

In accordance with the Turkish Commercial Code (TCC), no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of a usufruct right certificate, to the members of the board of directors or to the employees unless the required reserves and the dividend for shareholders as determined in the main agreement or in the dividend distribution policy of the Group are set aside; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

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#### NOTE 17 - REVENUE AND COST OF SALES

The Group fulfills its performance obligations at a certain time by transferring products. The amount that the Group will be entitled to recognize in the future from the remaining performance obligations is TL 3,230,280 (31 December 2023: TL 3,743,068) (Note 7). The Group expects to record this revenue as revenue in its financial statements within one year.

##### Revenue

|                          | 1 January-<br>30 June 2024 | 1 April-<br>30 June 2024 | 1 January-<br>30 June 2023 | 1 April-<br>30 June 2023 |
|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Polyester Chips (SPC)    | 8,094,044                  | 4,159,172                | 9,958,956                  | 3,972,961                |
| <i>Domestic</i>          | 5,324,160                  | 2,717,173                | 6,780,544                  | 2,579,305                |
| <i>Foreign</i>           | 2,769,884                  | 1,441,999                | 3,178,412                  | 1,393,656                |
| Polyester Fiber          | 7,635,338                  | 4,124,694                | 9,185,369                  | 4,447,087                |
| <i>Domestic</i>          | 4,635,941                  | 2,229,921                | 6,346,980                  | 3,004,577                |
| <i>Foreign</i>           | 2,999,397                  | 1,894,773                | 2,838,389                  | 1,442,510                |
| Polyester Yarn(Filament) | 3,778,027                  | 1,458,997                | 4,758,539                  | 2,522,903                |
| <i>Domestic</i>          | 3,753,546                  | 1,453,136                | 4,744,724                  | 2,512,553                |
| <i>Foreign</i>           | 24,481                     | 5,861                    | 13,815                     | 10,350                   |
| Poy (Filament)           | 2,714,957                  | 1,175,856                | 4,418,051                  | 2,012,789                |
| <i>Domestic</i>          | 2,709,339                  | 1,175,856                | 4,365,004                  | 1,987,011                |
| <i>Foreign</i>           | 5,618                      | -                        | 53,047                     | 25,778                   |
| DMT (SPC)                | 250,112                    | 4,985                    | 449,147                    | 300,699                  |
| <i>Foreign</i>           | 250,112                    | 4,985                    | 449,147                    | 300,699                  |
| Other                    | 42,695                     | 27,448                   | 121,497                    | 42,361                   |
| <i>Domestic</i>          | 35,794                     | 22,197                   | 101,949                    | 28,402                   |
| <i>Foreign</i>           | 6,901                      | 5,251                    | 19,548                     | 13,959                   |
| <b>Revenue</b>           | <b>22,515,173</b>          | <b>10,951,152</b>        | <b>28,891,559</b>          | <b>13,298,800</b>        |

##### Cost of Sales

|  | 1 January-<br>30 June 2024 | 1 April-<br>30 June 2024 | 1 January-<br>30 June 2023 | 1 April-<br>30 June 2023 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| Raw materials expense  | 13,443,654                 | 7,353,209                | 20,855,189                 | 10,137,102               |
| Energy expenses  | 849,810                    | 422,236                  | 2,223,223                  | 946,280                  |
| Labour expenses  | 1,043,652                  | 523,791                  | 1,422,572                  | 803,629                  |
| Depreciation and amortization expenses<br>(Note 10)            | 389,593                    | 307,572                  | 725,207                    | 407,054                  |
| Spare parts and maintenance expenses                           | 194,082                    | 90,355                   | 263,434                    | 155,539                  |
| Insurance expenses   | 165,705                    | 87,094                   | 64,536                     | 33,965                   |
| Usage of semi-finished goods                                   | 20,375                     | 748                      | (62,229)                   | (98,574)                 |
| Other expenses   | 277,230                    | 135,231                  | 350,697                    | 90,193                   |
| <b>Production Cost for the Period</b>                          | <b>16,384,101</b>          | <b>8,920,236</b>         | <b>25,842,629</b>          | <b>12,475,188</b>        |
| Change in finished good inventory during<br>the period         | 703,782                    | (370,811)                | (409,127)                  | (1,515,806)              |
| Cost of waste goods sold                                       | 41,174                     | 25,046                   | 81,279                     | 36,179                   |
| Other idle period expense                                      | 339,158                    | 200,065                  | 114,407                    | 53,171                   |
| Depreciation and amortization for the idle<br>period (Note 10) | 350,581                    | 342,194                  | 17,192                     | 3,061                    |
| <b>Cost of Goods Sold During the Period</b>                    | <b>17,818,796</b>          | <b>9,116,730</b>         | <b>25,646,380</b>          | <b>11,051,793</b>        |

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**NOTE 18 - MARKETING, GENERAL ADMINISTRATIVE AND RESEARCH & DEVELOPMENT  
EXPENSES****General Administrative Expenses**

|  | <b>1 January-<br/>30 June 2024</b> | <b>1 April-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> | <b>1 April-<br/>30 June 2023</b> |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Personnel expenses                               | 113,612                            | 37,687                           | 156,124                            | 83,224                           |
| Severance and notice pay                         | 81,602                             | 60,535                           | 15,082                             | 10,308                           |
| Consultancy expenses                             | 29,830                             | 1,692                            | 32,990                             | 18,761                           |
| Insurance expenses                               | 41,807                             | 19,411                           | 17,745                             | 8,683                            |
| Depreciation and amortization expenses (Note 10) | 21,069                             | 17,382                           | 9,398                              | 912                              |
| Supplies, repair and maintenance expenses        | 17,506                             | 6,934                            | 25,333                             | 16,941                           |
| Assisted services expenses                       | 9,009                              | 4,636                            | 7,408                              | 5,242                            |
| Provision for litigation (Note 12)               | 3,052                              | 1,543                            | 772                                | 284                              |
| Energy expenses                                  | 1,629                              | 776                              | 1,675                              | 698                              |
| Other expenses                                   | 3,631                              | 1,003                            | 50,624                             | 23,583                           |
|  | <b>322,747</b>                     | <b>151,599</b>                   | <b>317,151</b>                     | <b>168,636</b>                   |

**Marketing Expenses**

|  | <b>1 January-<br/>30 June 2024</b> | <b>1 April-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> | <b>1 April-<br/>30 June 2023</b> |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Export and freight expenses                      | 664,440                            | 316,404                          | 680,665                            | 230,986                          |
| Personnel expenses                               | 64,718                             | 32,597                           | 69,516                             | 34,726                           |
| Insurance expenses                               | 22,926                             | 10,592                           | 65,437                             | 59,091                           |
| Taxes and duties expenses                        | 13,686                             | 10,058                           | 13,252                             | 49,401                           |
| Depreciation and amortization expenses (Note 10) | 11,886                             | 10,432                           | 4,196                              | 1,519                            |
| Other expenses                                   | 45,974                             | 22,564                           | 33,363                             | 19,476                           |
|  | <b>823,630</b>                     | <b>402,647</b>                   | <b>866,429</b>                     | <b>395,199</b>                   |

**Research and Development Expenses**

|  | <b>1 January-<br/>30 June 2024</b> | <b>1 April-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> | <b>1 April-<br/>30 June 2023</b> |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Labour and personnel expenses                    | 1,633                              | 944                              | 1,465                              | 940                              |
| Depreciation and amortization expenses (Note 10) | 3,565                              | 3,471                            | 333                                | 165                              |
| Other expenses                                   | 1,032                              | 558                              | 1,284                              | 777                              |
|  | <b>6,230</b>                       | <b>4,973</b>                     | <b>3,082</b>                       | <b>1,882</b>                     |



**SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 19 - OTHER INCOME / EXPENSE FROM OPERATING ACTIVITIES****Other Operating Income**

|   | <b>1 January-<br/>30 June 2024</b> | <b>1 April-<br/>30 June<br/>2024</b> | <b>1 January-<br/>30 June 2023</b> | <b>1 April-<br/>30 June 2023</b> |
|---|------------------------------------|--------------------------------------|------------------------------------|----------------------------------|
| Foreign exchange income on trade receivables/payables | 6,146,694                          | 982,572                              | 11,858,312                         | 10,135,009                       |
| Raw materials sales income                            | 22,540                             | 19,357                               | 61,059                             | 25,958                           |
| Income on miscellaneous sales                         | 56,914                             | 32,644                               | 33,106                             | 19,425                           |
| Profits from insurance events                         | 1,054                              | 492                                  | 456,908                            | 268,435                          |
| Other income (*)                                      | 473,548                            | 15,736                               | 487,751                            | 329,698                          |
|   | <b>6,700,750</b>                   | <b>1,050,801</b>                     | <b>12,897,136</b>                  | <b>10,778,525</b>                |

(\*) Other income consists of spare parts sales income and income from return invoices.

**Other Operating Expenses**

|   | <b>1 January-<br/>30 June 2024</b> | <b>1 April-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> | <b>1 April-<br/>30 June 2023</b> |
|---|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Foreign exchange losses on trade receivables/payables | 5,961,861                          | 1,043,111                        | 13,094,684                         | 10,856,378                       |
| Taxes, duties and charges                             | 23,510                             | 12,482                           | 51,855                             | 30,300                           |
| Cost of miscellaneous sales                           | 17,873                             | 9,053                            | 19,213                             | 7,430                            |
| Other expenses  | 568,322                            | 125,226                          | 302,054                            | 69,429                           |
|   | <b>6,571,566</b>                   | <b>1,189,872</b>                 | <b>13,467,806</b>                  | <b>10,963,537</b>                |

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**NOTE 20 – EXPENSES BY NATURE**

|  | <b>1 January-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> |
|--|------------------------------------|------------------------------------|
| Direct raw materials expense                           | 13,443,654                         | 21,055,189                         |
| Labour and personnel expenses                          | 1,223,615                          | 1,649,677                          |
| Energy expenses  | 851,439                            | 2,224,898                          |
| Depreciation and amortization expenses (Note 10-11-12) | 776,694                            | 756,328                            |
| Usage of finished goods in the period                  | 703,782                            | (409,127)                          |
| Export and freight costs                               | 664,440                            | 680,665                            |
| Other idle period expense                              | 339,158                            | 114,407                            |
| Insurance expenses                                     | 230,438                            | 95,533                             |
| Spare parts and maintenance expenses                   | 194,082                            | 263,434                            |
| Consultancy expenses                                   | 29,830                             | 32,990                             |
| Cost of waste goods sold                               | 41,174                             | 81,279                             |
| Auxiliary service expenses                             | 21,069                             | 7,408                              |
| Usage of semi-finished goods                           | 20,375                             | (62,230)                           |
| Severance and notice pay                               | 17,506                             | 15,082                             |
| Material maintenance and repair expenses               | 9,009                              | 25,333                             |
| Other expenses   | 405,138                            | 302,176                            |
|  | <b>18,971,403</b>                  | <b>26,833,042</b>                  |

**NOTE 21 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES**

|  | <b>1 January-<br/>30 June 2024</b> | <b>1 April-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> | <b>1 April-<br/>30 June 2023</b> |
|--|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| Profit from sales of property, plant and equipment (*) | 5,099                              | 4,761                            | 2,989                              | 2,644                            |
| Loss from sales of property, plant and equipment (*)   | (1,335)                            | (1,330)                          | (115)                              | (94)                             |
|  | <b>3,764</b>                       | <b>3,431</b>                     | <b>2,874</b>                       | <b>2,550</b>                     |

(\*) Includes the sale of various machinery and equipment which are idle in the Group.

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 22 - FINANCE INCOME

|                         | 1 January-<br>30 June 2024 | 1 April-<br>30 June 2024 | 1 January-<br>30 June 2023 | 1 April-<br>30 June 2023 |
|-------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Foreign exchange income | 431,235                    | 153,706                  | 1,928,649                  | 846,551                  |
| Interest income         | 46,660                     | 29,304                   | 158,185                    | 148,152                  |
|                         | <b>477,895</b>             | <b>183,010</b>           | <b>2,086,834</b>           | <b>994,703</b>           |

#### NOTE 23 - FINANCE EXPENSES

|   | 1 January-<br>30 June 2024 | 1 April-<br>30 June 2024 | 1 January-<br>30 June 2023 | 1 April-<br>30 June 2023 |
|---|----------------------------|--------------------------|----------------------------|--------------------------|
| Foreign exchange expenses               | 4,749,420                  | 761,199                  | 18,382,182                 | 16,252,756               |
| Interest expenses                       | 2,984,951                  | 1,834,924                | 2,660,445                  | 1,225,824                |
| Commission and other bank cost expenses | 223,030                    | 29,570                   | 757,839                    | 460,657                  |
|   | <b>7,957,401</b>           | <b>2,625,693</b>         | <b>21,800,466</b>          | <b>17,939,237</b>        |

#### NOTE 24 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

|  | 30 June 2024     | 31 December 2023 |
|--|------------------|------------------|
| Property, plant and equipment revaluation fund | 5,322,540        | 5,322,540        |
| Defined benefit plans remeasurement gain       | (50,275)         | (28,272)         |
|  | <b>5,272,265</b> | <b>5,294,268</b> |

##### Property, plant and equipment revaluation fund

|   | 1 January-<br>30 June 2024 | 1 January-<br>31 December 2023 |
|---|----------------------------|--------------------------------|
| Balances at the beginning of the period   | 5,322,540                  | 5,322,540                      |
| Increase in value due to revaluation of property, plant and equipment (Note 10) | -                          | -                              |
| <b>Balances at the end of the period</b>  | <b>5,322,540</b>           | <b>5,322,540</b>               |

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#### NOTE 25 - TAX ASSETS AND LIABILITIES

##### Deferred Taxes

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of different evaluations in the financial statements prepared in accordance with the Turkish Accounting Standards and the financial statements prepared in accordance with the Turkish Commercial Code and tax laws. These differences usually result in the recognition of revenue and expenses in different reporting periods for Turkish Financial Reporting Standards and tax purposes. Tax rate used in the calculation of deferred tax assets and liabilities was 25%.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 June 2024 and 31 December 2023 using the enacted tax rates are as follows:

|  | Cumulative temporary<br>difference |                     | Deferred tax asset /(liability) |                     |
|--|------------------------------------|---------------------|---------------------------------|---------------------|
|  | 30 June<br>2024                    | 31 December<br>2023 | 30 June<br>2024                 | 31 December<br>2023 |
| Net difference between recorded value of property, plant and equipment and intangible assets and tax value | 19,312,208                         | 32,575,790          | 4,828,052                       | 8,143,483           |
| Property, plant and equipment revaluation difference   | (4,668,979)                        | (7,096,658)         | (1,167,245)                     | (1,774,165)         |
| Investment incentives deduction to be used (*)   | 43,191,561                         | 39,423,308          | 43,191,561                      | 39,423,308          |
| Provision for employment termination benefits  | 239,141                            | 155,952             | 67,119                          | 38,988              |
| Valuation differences of inventories   | 525,102                            | (18,211)            | 131,275                         | (4,553)             |
| Adjustment for advances given and received, net  | (89,423)                           | (145,098)           | (22,356)                        | (36,274)            |
| Adjustment of periodicity of sales   | 32,184                             | 35,798              | 8,046                           | 8,950               |
| Provision for unused vacation  | 36,599                             | 32,081              | 9,150                           | 8,020               |
| Provision for litigation   | 9,371                              | 7,999               | 2,343                           | 2,000               |
| Provision for doubtful receivables   | 8,683                              | 7,681               | 2,171                           | 1,921               |
| Provision for export expense   | 17,843                             | 29,543              | 4,461                           | 7,386               |
| Adjustments for foreign currency exchange difference   | 141,038                            | 136,774             | 35,259                          | 34,194              |
| Other adjustments  | 80,775                             | -                   | 20,195                          | -                   |
| Deferred tax assets  | -                                  | -                   | 48,299,632                      | 47,668,250          |
| Deferred tax liabilities   | -                                  | -                   | (1,189,601)                     | (1,814,992)         |
| <b>Deferred tax asset, net</b>   |                                    |                     | <b>47,110,031</b>               | <b>45,853,257</b>   |

(\*) The related amount is explained in the section of government incentives and grants.

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**NOTE 25 - TAX ASSETS AND LIABILITIES (cont'd)****Deferred Taxes (cont'd)****Table of deferred tax movement**

|                          | <b>30 June 2024</b> | <b>31 December 2023</b> |
|--------------------------|---------------------|-------------------------|
| Sasa Polyester San. A.Ş. | 47,097,643          | 45,835,001              |
| Sasa Dış Ticaret A.Ş.    | 12,388              | 18,256                  |
|                          | <b>47,110,031</b>   | <b>45,853,257</b>       |

Movement table of deferred tax is as follows:

|  | <b>1 January -<br/>31 June 2024</b> | <b>1 January -<br/>31 June 2023</b> |
|--|-------------------------------------|-------------------------------------|
| <b>Balances at 1 January</b>                   | <b>45,853,257</b>                   | <b>31,053,345</b>                   |
| Deferred tax expense for the period            | (2,518,814)                         | (3,490,093)                         |
| Deferred tax income from incentive certificate | 3,768,253                           | 12,005,824                          |
| Deferred tax expense recognized under equity   | 7,335                               | -                                   |
| <b>Balances at 30 June</b>                     | <b>47,110,031</b>                   | <b>39,569,076</b>                   |

**Reconciliation of tax provision**

|   | <b>1 January –<br/>30 June 2024</b> | <b>1 January –<br/>30 June 2023</b> |
|---|-------------------------------------|-------------------------------------|
| Profit / (loss) before tax from operating activities          | 12,471,110                          | (8,398,125)                         |
| Income tax rate: 25% (2023: 25%)                              | (3,117,778)                         | 2,099,531                           |
| Tax effects:  |                                     |                                     |
| -Non-deductible expenses                                      | (97,033)                            | (374,715)                           |
| -Effects of reduced corporate tax application                 | 3,768,253                           | 12,005,824                          |
| -Exemption used within the scope of the incentive certificate | 865,458                             | 114,510                             |
| -Other adjustments and monetary gain / (loss)                 | (169,461)                           | (5,329,419)                         |
| <b>Tax provision income in the income statement</b>           | <b>1,249,439</b>                    | <b>8,515,731</b>                    |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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#### NOTE 25 - TAX ASSETS AND LIABILITIES (cont'd)

##### Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

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

Corporate tax rate is applied to the taxable profit which is calculated by adding non-taxable expenses and deducting some exemptions taken place in tax laws (exemptions for participation revenues) and discounts (R&D discount) from accounting profit of the Group. No additional taxes are paid unless profit is distributed (except 19.8% withholding tax paid over used investment incentives according to the Income Tax Law 61 temporary article).

The corporate tax rate in Türkiye is 25% (2023: 25%). Corporate tax is declared by the evening of the last day of the fourth month following the end of the relevant accounting period and is paid in a single installment until the end of the same month. The tax legislation requires advance tax to be calculated %25 and paid based on earnings generated for each quarter, the amounts thus calculated and paid are offset from the final tax computed over the earnings of the year.

The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial liabilities to the government.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 30th of the fourth month following the close of the financial year to tax office which they relate. However, tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

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#### **NOTE 25 - TAX ASSETS AND LIABILITIES (cont'd)**

##### **Corporate Tax (cont'd)**

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

##### *Government Grants and Incentives*

As a result of, a Company of the Group, Sasa Polyester Sanayi A.Ş.'s application to Ministry of Economy General Directorate of Incentive Practices and Foreign Capital for incentive certificate, the incentive application related to the Polymer Production Facility Investment is included in the Project-Based Government Incentives for Investments that is enacted with the resolution of the Council of Ministers, and it is approved by the 30 April 2018 dated Council of Ministers and published on the 23 June 2018 dated Official Gazette. The investment amount related to the incentive is TL 2,906,598 (thousand), and the incentives for the investment are as follows:

- Corporate Tax Reduction (tax reduction rate: 100%, investment contribution rate: 104%, available rate of the investment contribution amount for the investment period: 100%),
- VAT Exemption,
- Custom Duty Exemption,
- VAT Return,
- Employer's National Insurance Contribution (10 years without a minimum amount limit),
- Income Tax Withholding Contribution (10 years),
- Qualified Personnel Contribution (maximum TL 10,000),
- Interest and/or Dividend Contribution (maximum 10 years as of loan usage date providing not exceeding TL 105,000),
- Energy Contribution (50% of energy consumption up to 10 years from the startup date providing not exceeding TL 300,000)

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#### NOTE 25 - TAX ASSETS AND LIABILITIES (cont'd)

##### Corporate Tax (cont'd)

###### *Government Grants and Incentives (cont'd)*

As a result of, a Company of the Group, Sasa Polyester Sanayi A.Ş.'s application to Ministry of Economy General Directorate of Incentive Practices and Foreign Capital for incentive certificate, on 4 January 2021, it received an investment incentive certificate for PTA and Polymer Chips Production Facilities Investment.

The amount of investment subject to incentive has reached to TL 47,043,219 (December 31, 2023: TL 43,206,800) as of the report date after the revisions made and the incentive elements benefited by the investment are as follows.

- Custom Duty Exemption,
- VAT Exemption,
- VAT Return,
- Corporate Tax Reduction (tax reduction rate: 100%, investment contribution rate: 85%, available rate of the investment contribution amount for the investment period: 100%),
- Employer's National Insurance Contribution (10 years without a minimum amount limit),
- Income Tax Withholding Contribution (10 years),
- Qualified Personnel Contribution (maximum TL 30,000),
- Energy Contribution (50% of energy consumption up to 10 years from the startup date providing not exceeding TL 50,000),

As a result of a Company of the Group, Sasa Polyester Sanayi A.Ş.'s application to the General Directorate of Incentive Implementation and Foreign Capital of the Ministry of Industry and Technology, it received an investment incentive certificate for Fiber Production Facility Investment on 13 September 2023.

The amount of investment subject to incentive has reached to TL 8,944,752 (December 31, 2023: TL 8,739,108) as of the report date after the revisions made and the incentive elements benefited by the investment are as follows.

- Custom Duty Exemption,
- VAT Exemption,
- VAT Return,
- Corporate Tax Reduction (tax reduction rate: 80%, investment contribution rate: 40%)
- Employer's National Insurance Contribution (7 years),
- Interest Support (5 points will be applied for TL loan/dividend share, 2 points will be applied for foreign currency or foreign currency indexed loan/dividend share).



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#### NOTE 25 - TAX ASSETS AND LIABILITIES (cont'd)

##### Corporate Tax (cont'd)

##### *Government Grants and Incentives (cont'd)*

As a result of a Company of the Group, Sasa Polyester Sanayi A.Ş.'s application to the General Directorate of Incentive Implementation and Foreign Capital of the Ministry of Industry and Technology, it received an investment incentive certificate for Solar Power Plant (SPP) Investment on 5 September 2023.

The investment amount related to the incentive is TL 336,066 (31 December 2023: TL 333,066) and the incentives for the investment are as follows.

- VAT Exemption,
- Corporate Tax Reduction (tax reduction rate: 70%, investment contribution rate: 30%)
- Employer's National Insurance Contribution (6 years),

As of 30 June 2024, the Group has TL 43,191,561 tax deduction right to be used in the following periods (2023: TL 36,366,409).

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that the tax base amounts of some income and expense items take place in different periods in the legal financial statements and the financial statements prepared in accordance with TFRS. The Group has deferred tax assets amounting to TL 47,110,031 that can be deducted from future profits. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions.

The main factors which are considered include future earnings potential and other tax assets expiring; the carry-forward period associated with the deferred tax assets and tax-planning strategies that would, if necessary, be implemented. As of 30 June 2024, the following assumptions were used in the calculation of the recoverable amount of deferred tax assets:

- There is no time restriction on this incentive.
- Based on the consolidated tax profit projections prepared by the management. The Company's growth assumptions are based on 2024-2025 when the investments are planned to be completed.
- Long-term inflation expectation of 21% was used in the prepared profit projections. The 2024 year-end exchange rate expectation is 37% and the long-term exchange rate increase expectation is 8% - 10% (in USD basis).
- Possible tax planning strategies have been considered.

As a result of the assessments made according to the available analyses, the Company Management has concluded that the deferred tax asset calculated within the scope of the incentive certificate is recoverable. It is anticipated that the deferred tax assets in question will be recovered within 5 years starting from 2024. In the probability of 10% deviation in the profitability of the projections, there is no change in this predicted recovery period.

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#### NOTE 26 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statement of profit or loss are determined by dividing net income by the weighted average number of shares in existence during the year concerned. In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to shareholders from retained earnings. Such "bonus share" distributions are treated as issued shares in earnings per share computations. Accordingly, the weighted average number of shares used in earnings per share computations is calculated by taking into consideration the retrospective effect of such share distributions.

|   | <b>1 January-<br/>30 June 2024</b> | <b>1 January-<br/>30 June 2023</b> |
|---|------------------------------------|------------------------------------|
| Net profit  | 13,720,549                         | 117,606                            |
| <i>Weighted average number of shares:</i>                 |                                    | -                                  |
| Weighted average number of ordinary shares                | 5,410,014,118                      | 5,410,014,118                      |
| Earnings per share with a nominal value of 1 TL (full TL) | 2,5361                             | 0,0217                             |
| Earnings per share from continuing operations             |                                    |                                    |

#### NOTE 27 - RELATED PARTY DISCLOSURES

##### a) Trade receivables from related parties:

The Group's receivables from related parties consist of trade receivables arising from product sales to related parties.

|   | <b>Profit/Loss</b>                          |   |
|---|---|---|
|   | <b>Appreciation of<br/>foreign currency</b> | <b>Depreciation of<br/>foreign currency</b> |
| <b>As of December 31, 2023;</b>                 |   |   |
| If the US Dollar changes by 20% against the TL: |   |   |
| US Dollar net assets                            | (1,658,057)                                 | 1,658,057                                   |
| Part protected from the US Dollar risk          | -   | -   |
| <b>US Dollar Net Effect</b>                     | <b>(1,658,057)</b>                          | <b>1,658,057</b>                            |
| If the Euro changes by 20% against the TL:      |   |   |
| Euro net assets                                 | (9,211,730)                                 | 9,211,730                                   |
| Part protected from the Euro risk               | -   | -   |
| <b>Euro Net Effect</b>                          | <b>(9,211,730)</b>                          | <b>9,211,730</b>                            |
| <b>Total</b>                                    | <b>(10,869,787)</b>                         | <b>10,869,787</b>                           |

##### b) Deferred income from related parties:

Deferred income from related parties are comprised of from taken order advances received for future sales orders of the Group.

|                                   | <b>30 June 2024</b> | <b>31 December 2023</b> |
|-----------------------------------|---------------------|-------------------------|
| Merinos Halı San. Tic. A.Ş.       | 211,699             | 247,260                 |
| Zeki Mensucat Sanayi ve Tic. A.Ş. | 327,081             | 201,867                 |
|                                   | <b>538,780</b>      | <b>449,127</b>          |

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#### NOT 27 - RELATED PARTY DISCLOSURES (cont'd)

##### c) Other payables to related parties:

|                           | 30 June 2024     | 31 December 2023  |
|---------------------------|------------------|-------------------|
| Erdemoğlu Holding A.Ş.(*) | 3,581,158        | 10,319,303        |
|                           | <b>3,581,158</b> | <b>10,319,303</b> |

(\*) The Company's application to the Capital Markets Board for the issuance of debt instruments that can be converted into contingent shares, to be sold privately to Erdemoğlu Holding A.Ş., the controlling shareholder of the Company, without public offering in Turkish Lira, was approved on 17 January 2024, with a nominal issue ceiling of TL 3,547,704.(Note 4)

The application made to the Capital Markets Board of Sasa Polyester Sanayi A.Ş., one of the Group companies, with the decision of the Board of Directors dated February 8, 2024, regarding the increase of its issued capital of TL 5,321,654 within the registered capital ceiling of TL 15,000,000 by way of a cash capital increase up to the nominal capital amount to be calculated according to the share sales price to be determined at a premium within the framework of Borsa İstanbul A. The application made to the Capital Markets Board regarding the increase of the nominal capital amount to be calculated according to the share sale price to be determined at a premium within the framework of the Procedure for Wholesale Transactions of Borsa İstanbul A.Ş. through a cash capital increase was approved on May 16, 2024. The transaction price for the allotted sale of the shares to be issued due to the capital increase was determined as TL 49.40 for each share with a nominal value of TL 1, taking into account the base price determined within the framework of Borsa İstanbul A.Ş.'s Procedure for Wholesale Transactions and the highest sales price in the sales transactions of Erdemoğlu Holding A.Ş. in the last 6 months. Following the approval of the issuance certificate by the Capital Markets Board on May 21, 2024, the Company's issued capital increased from TL 5,321,653,794.10 to TL 5,410,014,118.10.

Interest is charged on the remaining amount sent by Erdemoğlu Holding A.Ş. to the Group as a result of the above transactions.

**SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 30 JUNE 2024**

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**NOT 27 - RELATED PARTY DISCLOSURES (cont'd)****d) Sales to related parties:**

The Group sells chips, fiber, yarn and poy products to its related parties.

|                                   | 1 January - 30 June<br>2024 | 1 April - 30 June<br>2024 | 1 January - 30<br>June 2023 | 1 April - 30 June<br>2023 |
|-----------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
|                                   | Product                     | Product                   | Product                     | Product                   |
| Merinos Halı San. Tic. A.Ş.       | 1,001,444                   | 616,856                   | 1,064,287                   | 630,162                   |
| Özerdem Mensucat San. Tic. A.Ş.   | 657,720                     | 306,801                   | 742,976                     | 382,274                   |
| Zeki Mensucat Sanayi ve Tic. A.Ş. | 566,094                     | 325,786                   | 1,076,761                   | 628,552                   |
|                                   | <b>2,225,258</b>            | <b>1,249,443</b>          | <b>2,884,024</b>            | <b>1,640,988</b>          |

**e) Purchases from related parties:**

|                             | 1 January - 30 June<br>2024 | 1 April - 30 June<br>2024 | 1 January - 30<br>June 2023 | 1 April - 30 June<br>2023 |
|-----------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
|                             | Product                     | Product                   | Product                     | Product                   |
| Erdemoğlu Holding A.Ş.      | 74,530                      | 70,465                    | 111,257                     | 106,690                   |
| Merinos Halı San. Tic. A.Ş. | 423                         | 162                       | 504                         | 205                       |
|                             | <b>74,953</b>               | <b>70,627</b>             | <b>111,761</b>              | <b>106,895</b>            |

**f) Foreign exchange difference and interest income from related parties:**

|                                 | 1 January - 30 June<br>2024 | 1 April - 30<br>June 2024 | 1 January - 30<br>June 2023 | 1 April - 30 June<br>2023 |
|---------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Özerdem Mensucat San. Tic. A.Ş. | 9,943                       | 4,147                     | -                           | -                         |
| Merinos Halı San. Tic. A.Ş.     | 4,172                       | 1,091                     | 9,266                       | 8,766                     |
| Zeki Mensucat San. Tic. A.Ş.    | 359                         | 200                       | 746                         | 733                       |
|                                 | <b>14,833</b>               | <b>5,797</b>              | <b>10,012</b>               | <b>9,499</b>              |

**g) Remuneration of the Board of Directors and key management personnel amounts;**

As of 30 June 2024 and 2023, remuneration of the Board of Directors and key management personnel amounts are as follows:

|  | 1 January -<br>30 June 2024 | 1 April - 30<br>June 2024 | 1 January - 30<br>June 2023 | 1 April - 30 June<br>2023 |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Short-term benefits provided to key management | 28,502                      | 14,304                    | 25,800                      | 12,270                    |
|  | <b>28,502</b>               | <b>14,304</b>             | <b>25,800</b>               | <b>12,270</b>             |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### NOTE 28 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

##### Financial Risk Management

###### *Financial risk factors*

The Group is exposed to various financial risks due to its activities. These risks are market risk (currency risk, interest rate risk), credit risk, liquidity risk and funding risk. The Group's wholesale risk management program focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Group's financial performance.

Financial Risk management is carried out by the Group's Finance Unit, within the framework of policies approved by the Management, excluding receivables. The Finance department establishes close cooperation with the other units of the Group and ensures that financial risks are identified, evaluated and protected from risk.

###### Foreign exchange risk management

The Group is subject to foreign exchange risk due to foreign currency denominated liabilities and assets' conversion to Turkish Lira. Foreign exchange risk is traced through regular analysis of foreign currency position and minimized mostly with foreign currency sales.

Assets and liabilities denominated in foreign currencies as of 30 June 2024 and 31 December 2023 are as follows:

|   | 30 June 2024        |                  |                    |
|---|---------------------|------------------|--------------------|
|   | TL Equivalent       | US Dollar        | Euro               |
| Trade receivables                                     | 5,790,835           | 132,967          | 40,299             |
| Monetary financial assets (Including cash and banks)) | 1,133,045           | 16,565           | 16,717             |
| Other   | 1,493,397           | 40,098           | 4,966              |
| <b>Total assets</b>                                   | <b>8,417,277</b>    | <b>189,630</b>   | <b>61,982</b>      |
| Trade payables (including other payables)             | 10,118,324          | 246,571          | 57,109             |
| Financial liabilities                                 | 39,045,339          | 542,566          | 602,497            |
| Other   | 5,828,844           | 154,609          | 21,155             |
| <b>Current liabilities</b>                            | <b>54,992,507</b>   | <b>943,746</b>   | <b>680,761</b>     |
| Financial liabilities                                 | 34,477,167          | 142,940          | 846,124            |
| <b>Non-current liabilities</b>                        | <b>34,477,167</b>   | <b>142,940</b>   | <b>846,124</b>     |
| <b>Total liabilities</b>                              | <b>89,469,674</b>   | <b>1,086,686</b> | <b>1,526,885</b>   |
| <b>Net foreign currency position</b>                  | <b>(81,052,397)</b> | <b>(897,056)</b> | <b>(1,464,903)</b> |

# SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

### NOTE 28 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS(cont'd)

#### Foreign exchange risk management(cont'd)

|   | 31 December 2023    |                  |                    |
|---|---------------------|------------------|--------------------|
|   | TL Equivalent       | US Dollar        | Euro               |
| Trade receivables                                     | 7,246,243           | 128,169          | 62,192             |
| Monetary financial assets (Including cash and banks)) | 4,659,161           | 114,796          | 10,719             |
| Other   | 2,066,074           | 44,195           | 10,818             |
| <b>Current assets</b>                                 | <b>13,971,478</b>   | <b>287,160</b>   | <b>83,729</b>      |
| <b>Total assets</b>                                   | <b>13,971,478</b>   | <b>287,160</b>   | <b>83,729</b>      |
| Trade payables (including other payables)             | 4,876,236           | 106,577          | 23,480             |
| Financial liabilities                                 | 23,437,598          | 114,242          | 472,561            |
| Other   | 1,670,032           | 28,411           | 15,353             |
| <b>Current liabilities</b>                            | <b>29,983,866</b>   | <b>249,230</b>   | <b>511,394</b>     |
| Financial liabilities                                 | 46,534,252          | 290,027          | 881,128            |
| <b>Non-current liabilities</b>                        | <b>46,534,252</b>   | <b>290,027</b>   | <b>881,128</b>     |
| <b>Total liabilities</b>                              | <b>70,585,413</b>   | <b>539,257</b>   | <b>1,392,522</b>   |
| <b>Net foreign currency position</b>                  | <b>(56,613,935)</b> | <b>(252,097)</b> | <b>(1,308,793)</b> |

(\*) In the first quarter of 2024, imports amounting to USD 515 Million (2023: USD 1,346 Million) and exports amounting to USD 150 Million (2023: USD 340 Million), of which USD 92 Million (2023: USD 404 Million) is within the scope of ongoing investments.

#### Foreign currency sensitivity

| As of 30 June 2024;                | Profit / (Loss)                     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|
|                                    | Appreciation of<br>foreign currency | Depreciation of<br>foreign currency |
| 20% change in US Dollar/TL parity: |                                     |                                     |
| US Dollar net asset                | (5,899,994)                         | 5,899,994                           |
| US Dollar net hedged amount        | -                                   | -                                   |
| <b>US Dollar Net Effect</b>        | <b>(5,899,994)</b>                  | <b>5,899,994</b>                    |
| 20% change in EUR/TL parity:       |                                     |                                     |
| EUR net asset                      | (10,310,485)                        | 10,310,485                          |
| EUR net hedged amount              | -                                   | -                                   |
| <b>EUR Net Effect</b>              | <b>(10,310,485)</b>                 | <b>10,310,485</b>                   |
| <b>Total</b>                       | <b>(16,210,479)</b>                 | <b>16,210,479</b>                   |

## SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 June 2024, unless otherwise stated.)

#### NOTE 28 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS(cont'd)

##### Financial Risk Management(cont'd)

##### Foreign currency sensitivity(cont'd)

| As of 31 December 2023;            | <u>Profit / (Loss)</u>                      |   |
|------------------------------------|---|---|
|                                    | <u>Appreciation of<br/>foreign currency</u> | <u>Depreciation of<br/>foreign currency</u> |
| 20% change in US Dollar/TL parity: |   |   |
| US Dollar net asset                | (1,658,057)                                 | 1,658,057                                   |
| US Dollar net hedged amount        | -   | -   |
| <b>US Dollar Net Effect</b>        | <b>(1,658,057)</b>                          | <b>1,658,057</b>                            |
| 20% change in EUR/TL parity:       |   |   |
| EUR net asset                      | (9,211,730)                                 | 9,211,730                                   |
| EUR net hedged amount              | -   | -   |
| <b>EUR Net Effect</b>              | <b>(9,211,730)</b>                          | <b>9,211,730</b>                            |
| <b>Total</b>                       | <b>(10,869,787)</b>                         | <b>10,869,787</b>                           |

#### NOTE 29 - EVENTS AFTER THE BALANCE SHEET DATE

Within the scope of increasing the issued capital of the Group from TL 5,410,014,118.10 to TL 43,280,112,944.80, the amended Article 8 of the Company's Articles of Association was registered by Adana Trade Registry Office and published in the Turkish Trade Registry Gazette dated August 23, 2024 and numbered 11150. published.

Within the scope of the financing of the Group's ongoing Fiber and MTR investments, a loan agreement with a maturity of 11 years and an amount of EUR 187 Million supported by the German Export Credit Agency (ECA) - Euler Hermes Aktiengesellschaft was signed and the loan was structured and coordinated by HSBC Bank Middle East Limited with the participation of DZ BANK AG.