

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

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025 AND
THE INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S
REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)



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(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S
REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Sasa Polyester Sanayi A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Sasa Polyester A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors (including International Independence Standards)* (Code of Ethics) issued by the POA, as applicable to audits of consolidated financial statements of public interest entities, and other ethical requirements included in CMB legislation, together with the ethical requirements that are relevant to the audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Key Audit Matters	How the Matter was Addressed in the Audit
<p>Application of inflation accounting</p> <p>As explained in Note 2.1, the Company continues to apply “TAS 29 Financial Reporting in Hyperinflationary Economies” since the Group’s functional currency (Turkish Lira) is considered as the currency of a hyperinflationary economy as of December 31, 2025.</p> <p>In accordance with TAS 29, the financial statements and financial information of prior periods have been restated to reflect changes in the general purchasing power of the Turkish Lira and, consequently, are presented in terms of the purchasing power of the Turkish Lira at the reporting date.</p> <p>In accordance with TAS 29, the Company has used the Turkish consumer price indices to prepare inflation-sensitive financial statements. The principles applied for inflation adjustment are explained in Note 2.</p> <p>Given the significant impact of TAS 29 on the Company’s reported results and financial position, hyperinflationary accounting is considered a key audit matter.</p>	<p>The audit procedures applied are described below;</p> <ul style="list-style-type: none">- We met with management responsible for financial reporting to review the principles considered in applying TAS 29, the identification of non-monetary accounts and testing of the designed TAS 29 models,- The inputs and indices used were tested to ensure the completeness and accuracy of the calculations,- We have audited the restated financial statements and related financial information in accordance with TAS 29 ,- Evaluated the adequacy of the information provided in the inflation-adjusted financial statements and related footnote disclosures in terms of TAS 29.



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Key Audit Matter	How the Matter was Addressed in the Audit
<p>Deferred Tax Assets Calculated for Investment Incentives</p> <p>The Group's investment incentive certificate within the scope of Project-Based Incentive System has the advantages of corporate tax on investment expenditures within the scope of investment incentive documents. Within the scope of these investment incentive documents, there is a deferred tax asset of TL 66,540,105 to be used as of 31 December 2025.</p> <p>Deferred tax calculated for the Incentive Certificate has been determined as the key audit matter since the accuracy of the expenditures made within the scope of the incentive system taken into account in deferred tax asset is significant and the recoverability of the deferred tax asset is based on estimations and assumptions.</p> <p>Please refer to Note 2.6.13 and Note 25 to the financial statements for the Group's disclosures on deferred tax assets, including the related accounting policy and amounts.</p>	<p>During our audit, we focused on the validity of the expenses subject to deferred tax, their compliance with the incentive system and the mathematical accuracy of the calculation and the recoverability of the calculated deferred tax asset.</p> <p>The following audit procedures are implemented accordingly:</p> <ul style="list-style-type: none">- Analysis have been performed to understand the deferred tax assets, temporary differences that constitute the basis of these assets and the scope of investment incentives.- The validity of the expenditures subject to the deferred tax calculation is assessed for reasonableness and the accuracy of the deferred tax calculation.- In order to examine the impact on corporate tax calculation and investment incentive practices, tax specialists were included in the audit team which were in the same audit network of our organization. The measurement of the related deferred tax assets reviewed and evaluated by our tax experts.- The business model and the significant management estimates to ensure that the investment incentives can be used in the future are examined by considering the following:<ul style="list-style-type: none">• Related business model's mathematical accuracy is checked.• Sales tonnage and price assumptions used in the model are compared with previous year performances.• The foreign exchange rate forecasts of the years used in the business model are compared with the exchange rate estimates and independent data sources in the approved budget / long term plans. <p>The compliance of the explanations in the notes to the consolidated financial statements regarding the deferred tax assets and liabilities with TAS 12 has been checked.</p>



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Key Audit Matter	How the Matter was Addressed in the Audit
<p>Periodicity of Revenue</p> <p>Under TFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p> <p>Due to the nature of the Group's operations, there are export products whose production is completed, invoiced to the overseas customer or whose sales price has been collected although it has not been delivered. The products in this condition are in the Group's stock areas or on the way as of reporting date. The ownership rights and risks of these non-transferable products can be transferred to the customer according to the terms of the contract.</p> <p>With reference to the above explanations, as a part of sales cut-off principle, recognition of revenue in the correct period is identified as a key audit matter.</p> <p>Please refer to Note 2.6.1 and Note 17 to the financial statements for the Group's disclosures on revenue recognition, including the related accounting policy and amounts.</p>	<p>During the audit, the following audit procedures, including but not limited to, have been applied regarding the recognition of revenue:</p> <p>The design and implementation of controls by management on the revenue process have been evaluated. The Group's sales and delivery procedures have been analyzed.</p> <p>Terms of trade and delivery with respect to contracts made with customers have been examined and the timing of revenue recognition in the financial statements for the different shipment arrangements has been assessed.</p> <p>In our substantive audit procedures we focused on transactions where amount had been invoiced but revenue had not earned. The customers with the longest delivery time were identified and a date range was determined and sales lists were provided from the related departments of the Group. Tests have been completed to check the completeness and accuracy of these lists.</p> <p>The compliance of the disclosures in the consolidated financial statement notes regarding revenue in accordance with TFRS 15 has been checked.</p>

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



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5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the standards on auditing issued by the Capital Markets Board and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 9 March 2026.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2025 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Bora Tanrısinatapan.

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

Bora Tanrısinatapan, SMMM
Partner

9 March 2026
Adana, Türkiye

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SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

	Notes	(Audited) Current Period 31 December 2025	(Audited) Prior Period 31 December 2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	29,764,003	34,548,648
Trade Receivables	5	1,075,483	2,875,467
- Trade Receivables from Third Parties	5	9,891,820	11,246,970
- Trade Receivables from Related Parties	5,27	9,182,379	11,154,859
Other Receivables	7	709,441	92,111
- Other Receivables from Third Parties	7	7,133	24,930
Inventories	8	7,133	24,930
Derivative Instruments	30	14,629,007	17,262,328
Prepaid Expenses	9	148,500	-
Assets Related to Current Period Tax	25	1,235,764	1,737,382
Other Current Assets	15	48,158	35,204
		2,728,138	1,366,367
Non-Current Assets			
Other Receivables		290,809,074	269,529,979
Property, Plant and Equipment	10	10	131
Intangible Assets	11	223,265,954	193,134,254
Prepaid Expenses	9	921,149	751,772
Deferred Tax Assets	25	3,371,177	4,679,949
		63,250,784	70,963,873
TOTAL ASSETS		320,573,077	304,078,627
LIABILITIES			
Current Liabilities			
Short Term Borrowings	4	67,495,440	64,865,949
- Bank Loans	4	44,736,868	52,774,414
- Short Term Portion of Long Term Borrowings	4	25,655,516	37,479,509
- Lease Liabilities	4	19,015,166	15,200,042
Trade Payables	5	66,186	94,863
- Trade Payables to Third Parties	5	20,750,701	9,908,135
Payables Related to Employee Benefits	6	20,750,701	9,908,135
Other Payables	7	268,768	253,126
- Other Payables to Third Parties	7	47,747	487,879
Obligations Arising from Customer Contracts	7	47,747	487,879
Contractual Obligations Arising from Sales of Goods and Services	7	1,658,303	1,410,941
- Contractual Obligations to Third Parties	7	1,658,303	1,410,941
- Contractual Obligations to Related Parties	7,27	1,430,687	961,594
Short Term Provisions	12	227,616	449,347
- Other Short Term Provisions	12	33,073	31,454
		33,073	31,454
Non-Current Liabilities			
Long Term Borrowings	4	98,775,585	80,991,995
- Bank Loans	4	78,001,789	71,064,692
- Lease Liabilities	4	77,905,526	70,901,553
Trade Payables	5	96,263	163,139
- Trade Payables to Third Parties	5	1,430,763	2,313,110
Other Payables	27	1,430,763	2,313,110
- Other Payables to Related Parties	27	19,014,462	7,314,198
Long Term Provisions	14	328,571	299,995
- Long Term Provisions Related to Employment Benefits	14	328,571	299,995
EQUITY			
Paid in Share Capital	16	154,302,052	158,220,683
Share Capital Adjustment Differences	16	43,815,615	43,815,615
Repurchased Shares	16	23,248,500	23,248,500
Restricted Reserves Appropriated from Profits	16	(326,585)	(37,335)
Share Premiums	16	23,969,908	23,969,908
Accumulated Other Comprehensive Income/ Expenses That Will Not Be Reclassified to Profit or Loss	24	18,027,843	18,027,843
- Defined Benefit Plans Remeasurement Losses	16,24	27,207,177	8,001,856
- Revaluation Increase on Property, Plant and Equipment	16,24	(57,596)	(62,021)
Prior Years Profit	16	27,264,773	8,063,877
Net (Loss)/Profit for the Period	16	40,345,150	17,268,146
		(21,985,556)	23,926,150-
TOTAL EQUITY AND LIABILITIES		320,573,077	304,078,627

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND

OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

		(Audited) Current Period	(Audited) Prior Period
	Notes	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	17	53,119,377	63,590,667
Cost of Sales (-)	17	(49,555,351)	(52,298,365)
GROSS PROFIT		3,564,026	11,292,302
General Administrative Expenses (-)	18	(982,805)	(952,192)
Marketing Expenses (-)	18	(2,540,386)	(2,327,787)
Research and Development Expenses (-)	18	(50,282)	(128,036)
Other Income from Operating Activities	19	8,538,533	13,412,438
Other Expenses from Operating Activities (-)	19	(7,471,604)	(13,742,134)
PROFIT FROM OPERATING ACTIVITIES		1,057,482	7,554,591
Income from Investing Activities	20	20,652	1,986
Expenses from Investing Activities (-)	20	(159,755)	(49,924)
OPERATING PROFIT BEFORE FINANCE EXPENSE		918,379	7,506,653
Finance Income	22	898,608	2,347,306
Finance Expenses (-)	23	(50,152,630)	(28,004,313)
Monetary Gain	30	30,249,962	40,589,677
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(18,085,681)	22,439,323
Tax (Expense)/Income from Continuing Activities		(3,899,875)	1,486,827
- Current Tax Expense (-)	25	-	-
- Deferred Tax (Expense)/Income	25	(3,899,875)	1,486,827
(LOSS)/PROFIT FOR THE PERIOD		(21,985,556)	23,926,150
Other comprehensive (income)/expense		19,205,321	(20,326)
Items not to be Reclassified to Profit or Loss		19,205,321	(20,326)
<i>Revaluation Increase on Property, Plant and Equipment(-)</i>	24	23,012,635	-
<i>Tax Effect of Property, Plant and Equipment Revaluation Increases (-)</i>	24,25	(3,811,739)	-
<i>Defined Benefit Plans Remeasurement Gains/(Losses)</i>	24	5,900	(27,101)
<i>Tax Effect of Defined Benefit Plans Remeasurement Gains/(Losses)</i>	24,25	(1,475)	6,775
TOTAL COMPREHENSIVE (EXPENSE)/INCOME		(2,780,235)	23,905,824
Distribution of (Loss)/Profit for the Period:			
Parent Company's Share		(21,985,556)	23,926,150
Earnings Per Share (Loss) /Earnings	26	(0,5018)	0,5461
Distribution of Total Comprehensive (Expense)/Income			
Parent Company's Share		(2,780,235)	23,905,824
Non-controlling Shares		-	-

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

Notes						Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	Retained Earnings				Total Equity
	Paid-in Capital	Share Capital Adjustment Differences	Share Premiums	Repurchased Shares	Revaluation Increase on Property, Plant and Equipment	Defined Benefit Plans Remeasurement Losses	Restricted Reserves Appropriated from Profits	Prior Years Profits	Net Profit/(Loss) for the Period		
1 January 2024 (Audited)	5,321,654	22,039,564	7,499,389	(2,702)	8,063,877	(41,695)	2,111,934	43,902,712	34,379,645	123,274,378	
Transfers from Retained Earnings(*)	37,870,099	1,208,936	-	-	-	-	21,857,974	(26,557,364)	(34,379,645)	-	
Total comprehensive income	-	-	-	-	-	(20,326)	-	-	23,926,150	23,905,824	
Decrease from Share Repurchase Transactions	-	-	-	(34,633)	-	-	-	(77,202)	-	(111,835)	
Transactions with Non-Controlling Shareholders	623,862	-	10,528,454	-	-	-	-	-	-	11,152,316	
31 December 2024 (Audited)	43,815,615	23,248,500	18,027,843	(37,335)	8,063,877	(62,021)	23,969,908	17,268,146	23,926,150	158,220,683	
1 January 2025 (Audited)	16	43,815,615	23,248,500	18,027,843	(37,335)	8,063,877	(62,021)	23,969,908	17,268,146	23,926,150	158,220,683
Transfers from retained earnings	16	-	-	-	-	-	-	(23,926,150)	(23,926,150)	-	
Total comprehensive income	-	-	-	-	19,200,896	4,425	-	-	(21,985,556)	(2,780,235)	
Decrease from share repurchase transactions	16	-	-	(289,250)	-	-	-	(849,146)	-	(1,138,396)	
31 December 2025 (Audited)	16	43,815,615	23,248,500	18,027,843	(326,585)	27,264,773	(57,596)	23,969,908	40,345,150	(21,985,556)	154,302,052

(*) Shares amounting to TL 88,360 issued within the scope of the allocated increase of the Group's issued capital from TL 5,321,654 to TL 5,410,014 were sold to Erdemoğlu Holding A.Ş., the controlling shareholder of the Group, through the allocated sale method on the Borsa Istanbul share market on 24 May 2024 and the capital increase transactions were completed. The application for the amendment of the articles of association within the scope of the decision to increase the Group's issued capital of TL 5,410,014 to TL 43,280,113 with an increase of TL 37,870,099 to be fully covered from internal resources and to give 700% bonus shares to each share held by the shareholders was approved by the Capital Markets Board and registered by Adana Trade Registry Office and announced in the Turkish Trade Registry Gazette dated 23 August 2024 and numbered 11150.

All of the contingent convertible bonds with a nominal amount of TL 3,547,704 issued and sold by Sasa, a Group company, on 22 January 2024 were redeemed by converting them into shares at a conversion price of TL 6,625. The application made to the Capital Markets Board for the amendment of the articles of association in accordance with the board of directors decision taken within the scope of increasing the issued capital of the Group from TL 43,280,113 to TL 43,815,615 after the conversion to shares was approved on 20 December 2024 and registered by Adana Trade Registry Office on 23 December 2024 and announced in the Turkish Trade Registry Gazette dated 23 December 2024 and numbered 1845.

Sasa Polyester Sanayi A.Ş. that is one of the group companies purchased shares amounting to 289,250,000 lot in 2025 year within the scope of repurchased share program of the company.

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

		Audited	Audited
		Current Period	Prior Period
	Notes	1 January - 31 December 2025	1 January - 31 December 2024
Cash Flows from Operating Activities:			
Profit for The Period Before Tax from Continuing Operations		(18,085,681)	22,439,323
Adjustments Related to Reconciliation of Net (Loss)/Profit for the Year		6,864,089	(7,042,032)
Adjustments for depreciation and amortization	10.11	6,544,819	2,355,476
Adjustments Related to Interest Income/Expense		10,851,950	8,259,469
<i>Adjustments Related to Interest Expenses</i>	4,23	11,026,234	8,540,441
<i>Adjustments Related to Interest Income</i>	22	(174,284)	(280,972)
Adjustments Related to Loss on Disposal of Property, Plant and Equipment	20	139,103	47,938
<i>Adjustments Related to Losses on Disposal of Property, Plant and Equipment</i>	20	139,103	47,938
Adjustments Related to Provisions		199,728	222,021
<i>Adjustments Related to Provision for Employee Benefits</i>	14	199,728	222,021
Adjustments Related to Provision for Litigation Provisions	12	9,043	23,059
Adjustments to the Valuation of Derivative Instruments	30	(148,500)	-
Adjustments for Unrealized Foreign Exchange Differences	4	37,752,763	18,548,303
Monetary Gain		(48,484,817)	(36,498,298)
Changes in Working Capital:		22,193,836	(332,352)
Adjustments for (Increase)/Decrease in Trade Receivables		(7,239,974)	9,086,377
<i>(Increase)/Decrease in Trade Receivables from Third Parties</i>		(6,622,644)	9,045,499
<i>(Increase)/Decrease in Trade Receivables from Related Parties</i>		(617,330)	40,878
Adjustments Related to Increases in Other Receivables Related to Operations		(1,228)	(13,661)
<i>Increase in Other Receivables</i>		(1,228)	(13,661)
Adjustments for Decreases in Inventories		2,633,321	4,245,172
Adjustments for Decrease/(Increase) in Prepaid Expenses		1,845,594	(588,925)
Adjustments for (Increase)/Decrease in Other Current Assets		(317,885)	40,486
Adjustments Related to Increase/(Decrease) in Trade Payables to Third Parties		19,297,088	(4,115,440)
Adjustments Related to Increase/(Decrease) in Other Payables		5,520,531	(4,648,485)
Adjustments Regarding Increases/(Decreases) in Obligations Arising from Customer Contracts		247,362	(4,260,010)
Adjustments Related to Increase/(Decrease) Increase in Employee Benefit Payables		209,027	(77,866)
Cash Flows from Operating Activities:		10,972,244	15,064,939
Payments for Provision Related to Employee Benefits	14	(100,224)	(119,506)
Tax Payments	25	(48,158)	(197,443)
Net Cash Generated from Operating Activities		10,823,862	14,747,990
Cash Flows Used in Investing Activities:			
Cash Outflows from Acquisition of Tangible and Intangible Assets	10.11	(14,069,450)	(39,813,216)
<i>Cash Outflows from Acquisition of Tangible and Intangible Assets</i>	10.11	(14,069,450)	(39,813,216)
Cash Inflows from Sale of Tangible and Intangible Assets	10,11,20	97,086	35,330
<i>Cash Inflows from Sale of Tangible Assets</i>	10,11,20	97,086	35,330
Interest Received	22	174,284	280,972
Net Cash Used in Investing Activities		(13,798,080)	(39,033,528)
Cash Flows from Financing Activities:			
Cash Inflows from Borrowings	4	77,194,668	85,279,255
<i>Cash Inflows from Loans</i>	4	77,194,668	85,279,255
Cash Outflows Related to Debt Payments	4	(78,028,921)	(60,726,134)
<i>Cash Outflows Related to Loan Repayments</i>	4	(77,963,656)	(60,487,128)
<i>Cash Outflows Related to Repayment of Finance Lease Liabilities</i>	4	(65,265)	(239,006)
Interest Paid	4	(8,723,879)	(7,195,906)
Net Change Related to Increase in Other Payables to Related Parties	27	11,700,264	(8,320,103)
Cash Outflows Related to the Acquisition of Own Shares and Other Equity Instruments	16	(289,250)	(34,633)
Other Cash Inflows		-	11,345,013
Net Cash Generated from Financing Activities		1,852,882	20,347,492
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,121,336)	(3,938,046)
NET EFFECT OF MONETARY GAIN ON CASH AND CASH EQUIVALENTS		(678,648)	(3,129,185)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	2,875,467	9,942,698
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1,075,483	2,875,467

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, 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 Company is mainly engaged in the production and marketing of polyester fiber, yarns and related products and polyester chips. The Company is a subsidiary of Erdemoğlu Holding A.Ş. (“Erdemoğlu Holding”). The ultimate shareholder of the company is Erdemoğlu Holding, and it is under the control of 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.

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.

The Company established its subsidiary, Sasa Rafineri A.Ş. (“the Subsidiary”), with a capital of TL 100,000 in line with the Board of Directors’ resolution dated 25 August 2025, for the purpose of effectively carrying out the refinery and petrochemical plant investment planned to be constructed by the Company in Adana/Yumurtalık, as well as the related logistics, infrastructure, and auxiliary production facilities within the scope of this investment. The Company holds 100% of the shares of Sasa Rafineri A.Ş. As of the balance sheet date, the Subsidiary has not yet commenced operations.

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

As of 31 December 2025, number of employees of the Company is 3,681 (31 December 2024: 3,804).

Approval of Consolidated Financial Statements

Board of Directors has approved the consolidated financial statements and delegated authority for publishing it on 9 March 2026. 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 financial statements have been prepared in accordance with the formats of “TFRS Taxonomy Announcement” published by POA and Financial Statement Examples and Guidelines for Use published by CMB, on 3 July 2024.

Financial statements are prepared on a historical cost basis, except for the revaluation of land and buildings and the fair value of derivative financial instruments. Historical cost is generally determined based on the fair value of the amount paid for assets..

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, 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

As of December 31, 2025, the Group's short-term liabilities exceed its current assets by TL 37,731,437. Furthermore, as of December 31, 2025, the Group's net loss for the period is TL 21,985,556. Some of the Group's loans are subject to covenants that must be complied with. In accordance with these covenants, as of 31 December 2025, since the performance criteria were not met, loans with original maturities in 2027, 2028, and 2029 amounting to EUR 77,239 thousand (TL 3,891,030) have been presented under short-term financial liabilities.

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. Management's plans regarding this matter are explained below:

In the declaration dated 31 December 2025, the Group's main shareholder, Erdemoğlu Holding Anonim Şirketi, stated their commitment to financially support the Group and to take all necessary measures to ensure that the Group has sufficient funds to meet its obligations and to continue its operations in the foreseeable future without any significant downsizing.

The issuance of convertible bonds amounting to EUR 415,000,000 by Sasa Polyester Sanayi A.Ş., a Group company, to qualified investors abroad—within the scope of the Company's Board of Directors' resolution dated 8 September 2025 and the Capital Markets Board approval dated 4 December 2025—was completed as of 7 January 2026.

In line with the Group's business plans, management anticipates the continuity of operational profitability. The Group expects an increase in EBITDA and cash generation performance compared to previous periods, supported by the rise in production and sales volumes as newly completed investments become operational.

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 used a loan of TL 5,837,025 as of January 2026 by providing financing to cover its financial, operational activities and investment expenses. 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.

Basis of Consolidation

As of 31 December 2025, and 2024, the details of the Company's subsidiaries are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Sasa Dış Ticaret A.Ş.	100%	100%
Sasa Uluslararası Finansal Yatırım A.Ş.	100%	100%
Sasa Rafineri A.Ş.	100%	-

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, 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 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, 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 accordance with the relevant standard, the consolidated financial statements prepared in the currency of an economy classified as hyperinflationary are presented in terms of the purchasing power of that currency at the balance sheet date. The prior-period consolidated financial statements have also been expressed in the current measurement unit at the end of the reporting period for comparative purposes. Therefore, the Group has presented its consolidated financial statements as of 31 December 2024 in terms of the purchasing power as of 31 December 2025.

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 (Tük):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2025	3,513,87	1.00000	211%
31.12.2024	2,684,55	1.30892	291%
31.12.2023	1,859,38	1.88981	268%

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

- The consolidated financial statements for the current period, which are prepared in TL, are expressed in terms of the purchasing power at the balance sheet date, and the amounts relating to previous reporting periods are also restated and presented in terms of the purchasing power at the end of the reporting period.
- As monetary assets and liabilities are already expressed in terms of the current purchasing power at the balance sheet date, they are not restated. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 Impairment of Assets and IAS 2 Inventories have been applied, respectively.
- Non-monetary assets and liabilities, as well as equity items, that were not expressed in terms of current purchasing power at the date of the financial statement have been adjusted using the relevant adjustment coefficients.
- Except for the items in the profit or loss statement that are affected by the indexation of non-monetary items in the consolidated statement of financial position and those that have an impact on the profit or loss statement, all items in the profit or loss statement are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position for the current period has been recorded under the net monetary gain/(loss) account in the consolidated statement of profit or loss (Note 31).

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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, 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)

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 reexpressed. 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 are restated using the restated balances of property, plant and equipment and intangible 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 translated 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 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

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

2.2 Offsetting

Financial assets and liabilities are shown in the balance sheet at their net value if there is a legal right to set them off, if net payment or collection is possible, or if the acquisition of the asset and the fulfillment of the liability can occur simultaneously.

2.3 The New Standards, Amendments and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective from 1 January 2025 are as follows:

Amendments to TAS 21- Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

This change has not had a significant impact on the Group's financial position or performance.

ii) Standards issued but not yet effective and not early adopted

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 are as follows. The 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.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The group will assess the impact of these changes once the standards in question have been finalized.

TFRS 17 The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2027 with the announcement made by the POA.

This does not apply to the Group and will not have any impact on the Group's financial condition or performance.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

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

2.3 The New Standards, Amendments and Interpretations (cont'd)

ii) Standards issued but not yet effective and not early adopted (cont'd)

Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

This change is not applicable to the Group and has no impact on its financial position or performance.

Annual Improvements to TFRSs – Volume 11

In September 2025, POA issued Annual Improvements to TFRSs – Volume 11, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter*: These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.
- *TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition*: The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.
- *TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price*: TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price'.
- *TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'*: The amendments are intended to remove the inconsistencies between TFRS 10 paragraphs.
- *TAS 7 Statement of Cash Flows – Cost Method*: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

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

2.3 The New Standards, Amendments and Interpretations (cont'd)

ii) Standards issued but not yet effective and not early adopted (cont'd)

Amendments to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

This change does not apply to the Group and has no impact on its financial position or performance.

TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

The effects of the said standard on the Group’s financial position and performance are being evaluated.

TFRS 19 – The new Standard for Subsidiaries without Public Accountability: Disclosures

In August 2025, POA issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. TFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under TFRS 19.

The said Standard is not applicable to the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

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

2.3 The New Standards, Amendments and Interpretations (cont'd)

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (cont'd)

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the Board in November 2025 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

2.4 Changes in the Accounting Policies and Errors

The accounting policy changes arising from the first-time application of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. The changes that take place of any transitional provision, significant changes made optional in accounting policies or determined accounting errors are applied retrospectively by restating prior period financial statements. If changes in accounting estimates are related to only one period, they are applied both in the current period when the amendment is made and for the future periods, both in the current period and in the future. The accounting estimates used in the preparation of these consolidated financial statements for the year ended 31 December 2025 are consistent with those used in the preparation of financial statements for the year ended 31 December 2024.

2.4.1 Comparative Information and Reclassification of Prior Period Financial Statements

In order to enable the identification of trends in financial position and performance, the Group's consolidated financial statements are prepared on a comparative basis with the prior period. Comparative information is reclassified when deemed necessary to ensure consistency with the presentation of the current period financial statements, and significant differences are disclosed. The reclassifications made by the Group in the current period are as follows:

The Group reclassified the advances received—amounting to TL 449,340 that were previously presented under deferred income from related parties, and TL 961,594 that were previously presented under deferred income from non-related parties—in the consolidated statement of financial position as of 31 December 2024, to contract liabilities arising from customer contracts in the current period.

In its consolidated financial statement as of December 31, 2024, the Group reclassified the prepaid taxes and funds amounting to TL 35,204 as assets related to current period taxes.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts expressed in thousand TL based on the purchasing power of Turkish Liras as of 31 December 2025, unless otherwise stated.)

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

2.5 Critical Decisions and Assumptions made by the Group in Applying Accounting Policies

2.5.1 Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for the statutory and IFRS financial statements. The Group has deferred tax assets amounting to TL 63,250,784 that can be deducted from future profits. The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the assessment, future profit projections and the expiration dates of tax assets are taken into consideration. As a result of the assessments made, it has been concluded that these assets, of which TL 63,250,784 have indefinite useful lives, will be recoverable in the foreseeable future (Note 25).

2.5.2 Liabilities for employee benefits

The Group makes various actuarial assumptions such as discount rate, inflation rate, rate of increase in real wages, and the possibility of withdrawal by itself in the calculation of liabilities related to employee benefits. Details of the provisions for employee benefits are disclosed in Note 14.

2.5.3 Impairment on assets

The Group Management performs impairment tests for assets subject to depreciation and amortization at each reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). As a result of the impairment studies performed by the Group Management, no additional impairment is foreseen in the accompanying financial statements as of the reporting date.

2.5.4 Impairment on financial assets

While evaluating the impairment of financial assets, the management makes assumptions such as default risk and expected credit loss ratio regarding the related assets. While making these assumptions and judgments as of each reporting period, the Group considers past experiences, current market conditions and future expectations regarding the market.

2.5.5 Calculation of credit loss provision

In measuring expected loss provisions, the Company uses reasonable and supportable forward-looking information based on assumptions about different future economic conditions and how they will affect each other.

Loss given default is an estimate of the loss given default. It is based on the difference between the contractual cash flows and the receivables that the lender expects to collect, taking into account cash flows arising from collateral and credit enhancements.

2.5.6 Fair Value Assessment of Land and Plots

The Group accounts for its land, plots, and buildings at their fair value. The revalued amounts of these assets are determined by an independent valuation firm authorized by the Capital Markets Board and are used as the value carried in the financial statement. The valuation method used in determining fair values takes into account important assumptions such as market conditions, the unique characteristics of each land and plot, its physical condition, geographical location, and comparable value (Note 10).

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

2.6 Summary of Significant Accounting Policies

2.6.1 Revenue

The revenue consists of the sales of fiber, textile chips, poy, pet resin, yarn and other by-products sold directly to the end user in the domestic and foreign markets.

Revenue is measured based on the consideration specified in a sales order with a customer. The Group recognizes revenue when it transfers control of a product to a customer.

The Group recognizes revenue in its financial statements in line with the following basic principles:

- a) Determination of sales order forms with customers
- b) Determining the performance obligations in the sales order form
- c) Determining the transaction price on the sales order form
- d) Allocating the product group-based transaction price to the performance obligations in the sales order form
- e) Recognition of revenue when each performance obligation is realized

The Group accounts for a sales orders with a customer that is within the scope of this Standard only when all of the following criteria are met:

- a) The parties to the sales orders have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- b) The Group can identify each party's rights regarding the goods or services to be transferred,
- c) The Group can identify the payment terms for the goods or services to be transferred,
- d) The sales orders have commercial substance,
- e) It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In assessing whether a consideration is likely to be collectible, an entity considers only the customer's ability and intent to pay the consideration on time.

Dividend, interest and rent income

Interest income is accrued over the remaining principal amount and the expected life of the financial asset at the effective interest rate that discounts estimated future cash inflows through the expected life of the asset to its carrying amount. Interest income from the Group's time deposit investments is recognized under financial income, while interest income from time sales of trade receivables is recognized under revenue. Rental income from real estate is recognized on a straight-line basis over the term of the relevant lease agreement.

2.6.2 Inventories

Inventories are valued at the lower of cost or net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, using the monthly weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.3 Property, Plant and Equipment

Revaluation Method

Land, plots of land, and buildings held in use for production or delivery of goods or services or for administrative purposes are stated at their revalued amounts. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land, plots of land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued lands the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. Unless the asset is derecognized, no transfer is made from the revaluation fund to retained earnings.

Cost Method

Property, plant and equipment, excluding land and buildings, are presented at their cost value after deducting accumulated depreciation and accumulated impairment losses.

The estimated useful lives of these assets are as follows:

	YEARS
Land improvements	5-25
Buildings	18-25
Machinery, plant and equipment	5-25
Motor vehicles	3-5
Furniture and fixtures	4-25

Assets under construction for administrative purposes or other purposes not yet determined are shown at cost, less any impairment loss. Legal fees are also included in the cost. In the case of assets that require significant time to be ready for use and sale, borrowing costs are capitalized. When the construction of these assets is completed and they are ready for use, they are classified under the relevant tangible fixed asset item. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land, buildings and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.3 Property, Plant and Equipment (cont'd)

Leased assets are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.6.4 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

	YEARS
Software	5-25
Development costs	5

Internally-generated intangible assets – research and development expenditure

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- it is technically feasible to complete the intangible asset in order to make it available for use or sale
- intention to complete, use or sell the intangible asset,
- the intangible asset can be used or sold,
- it is clear how the asset is likely to generate future economic benefits,
- there are adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell the asset; and
- the development cost of the asset can be measured reliably during the development process.

The amount of internally generated intangible asset is the total amount of expenditure incurred from the time the intangible asset meets the recognition criteria described above. When internally generated intangible assets are not recognized, development expenditure is recognized as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.4 Intangible Assets(cont'd)

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (10 years).

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as non-current assets are amortized over their estimated useful lives.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. This difference is recognized in profit or loss when the related asset is derecognized.

2.6.5 Leases

The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a leased machinery and equipment and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the depreciation of these lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

At initial recognition, lease liabilities are recognized at the present value of the lease payments that are not paid at the inception of the contract, discounted at the lease rate. If this rate is not specified in advance, the Group uses an alternative borrowing rate determined by the Group.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes appropriate changes to related right-of-use asset).

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs that may be capitalized in a period in respect of funds borrowed to acquire a qualifying asset is the total borrowing costs incurred in that period for those assets, less any income from temporary investments of those funds.

Financial investment income obtained by using a part of the investment loan, which has not yet been spent, temporarily in financial investments is offset from the borrowing costs suitable for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

2.6.7 Financial Instruments

Financial instruments are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. The fair value of transactions that are directly attributable to the acquisition or issue of financial assets and liabilities is recognized in profit or loss.

Financial Assets

Financial assets that are traded in the normal course of business are recognized or derecognized on the trade date.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows, at subsequent recognition, it is measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.7 Financial Instruments (cont'd)

Financial Assets (cont'd)

If a financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss (FVTPL).

(i) Amortized cost and effective interest method

Interest income for the financial assets shown over the amortized cost is calculated using the effective interest method. The effective method of interest is to calculate the amortized cost of a borrowing agent and distribute interest income to the relevant period. This income is calculated by applying the effective interest rate to the gross book value of the financial asset except the following:

(a) Financial assets with a low credit value when purchased or created. For such financial assets, the business applies the effective interest rate corrected by credit to the redeemed cost of the financial asset for the first time since being taken to financial statements.

(b) Financial assets that are not a financial asset with a credit impairment when purchased or created, but subsequently become a credit-impairment financial asset. For such financial assets, the business applies the effective interest rate to the redeemed cost of the asset during subsequent reporting periods.

Interest income is recognized on subsequent recognition using the effective interest method for debt instruments measured at amortized cost and at fair value through other comprehensive income. Interest income is recognized in profit or loss and presented in "finance income - interest income" (Note 23).

(ii) Financial assets at FVTOCI

The financial assets ((i) – (iii)), which do not meet the criteria of measurement by reflecting on the redeemed costs or the other comprehensive income of the fair value change, are measured by the profit or loss of the fair value exchange. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.7 Financial Instruments (cont'd)

Financial Assets (cont'd)

Classification of financial assets (cont'd)

(iii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each period and all changes in fair value are recognized in profit or loss, unless the financial assets are designated as hedging instruments.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Especially,

- for financial assets carried at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss. Other exchange differences are recognized in other comprehensive income;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on borrowing instruments, lease receivables, trade receivables, assets arising from contracts with customers and expected credit losses from investments to financial guaranty contract that are measured at amortized cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.7 Financial Instruments (cont'd)

Financial Assets (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows (all cash-deficiencies) that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate (or credit-based adjusted effective interest rate for financial assets with credit-value impairment when purchased or incurred).

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial Liabilities

On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized at initial carrying value. A financial liability is subsequently classified at amortized cost except:

- a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
- b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.7 Financial Instruments (cont'd)

Financial Liabilities (cont'd)

- c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

Convertible bonds

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and is recognized and included under shareholders' equity.

An entity may not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative Financial Instruments

In order to keep the risks associated with foreign exchange and interest rates under control, the Group uses various derivative financial instruments, including foreign exchange forward contracts, options and interest rate swap contracts.

Derivative instruments are recognized at their fair value on the date the related derivative contract is entered into and are subsequently remeasured at their fair values at each reporting date. Although these derivative instruments economically provide effective protection against risks for the Group, when they do not meet the necessary conditions for hedge accounting, they are accounted for as trading derivatives in the consolidated financial statements, and the changes in their fair values are reflected in the consolidated statement of profit or loss. The Group does not have any derivative transactions that meet the requirements for hedge accounting; however, it does have trading derivative transactions. Therefore, the fair values of the Group's derivative instruments have been recognized in the consolidated statement of profit or loss.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities. There are no open derivatives position as of the balance sheet date.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.8 The Effects of Foreign Exchange Rate Changes

Foreign Currency Transactions and Balances

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the exchange rates prevailing at the balance sheet date. Non-monetary items at fair value through profit or loss denominated in foreign currencies are retranslated at the exchange rates prevailing on the date when the fair value was determined. Non-monetary items in foreign currencies measured at historical cost are not subject to retranslation.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange rate differences arising from transactions carried out to provide financial protection against risks arising from foreign currencies (accounting policies regarding financial protection against risks are explained below),
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

2.6.9 Earnings Per Share

Earnings per share stated in the consolidated statement of profit or loss are calculated by dividing net profit by the weighted average number of shares outstanding during the year.

Companies in Türkiye can increase their capital through "bonus shares" that they distribute to their shareholders from retained earnings. Such "bonus shares" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

2.6.10 Events After the Reporting Period

Events after the reporting period are those events that occur between the balance sheet date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information. The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.11 Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.6.12 Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

- a) A person or a close member of that person's family is related to a reporting entity if that person,
 - (i) has control or joint control over the reporting entity,
 - (ii) has significant influence over the reporting entity; or,
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One-entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity..
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.13 Government Incentives and Aids

A government grant is not recognized in the financial statements without reasonable assurance that the entity will meet the conditions for obtaining the grant and that the grant will be received.

Government grants are systematically recognized in profit or loss during the periods in which the costs intended to be covered by these incentives are recognized as an expense. Government incentives, which are a financing tool, should be associated with the statement of financial position as unearned income and systematically reflected in profit or loss over the economic life of the relevant assets, instead of being recognized in profit or loss to clarify the expenditure item they finance.

Government grants given to compensate for expenses or losses already incurred or to provide immediate financial support without any future cost to the entity are recognized in profit or loss in the period in which they become collectible.

Within the scope of the Law No. 5746 on Supporting Research, Development and Design Activities of the Group; the Group has the R&D center certificate given by the Ministry of Industry and Technology of the Republic of Türkiye, and has been entitled to benefit from the incentives and exemptions granted to R&D centers in accordance with the provisions of the Law No. 5746.

With regard to research and development projects ("R&D"), provided that the aforementioned projects meet certain criteria, the Group agrees to the R&D no. 98/10 of the Scientific and Technical Research Council of Türkiye ("TÜBİTAK") and the Para-Credit and Coordination Board. Within the scope of the Communiqué on GE Assistance, it can benefit from R&D assistance, subject to the evaluation of TÜBİTAK Technology and Innovation Support Programs Directorate ("TEYDEB").

As a result of the SASA Polyester Sanayi A.Ş. application to Ministry of Economy General Directorate of Incentive Practices and Foreign Capital for incentive certificate, the incentive application related to the Polimer Üretim Tesisleri 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.

In addition, as a result of the application made by the Group, an incentive certificate was obtained for PTA and Polymer Chips Production Facilities Investment on 4 January 2021.

In addition, Sasa Polyester Sanayi A.Ş., one of the Group companies, has received investment incentive certificate on 13 September 2023 for Fiber Production Facility Investment and on 5 September 2023 for Solar Energy Plant (SPP) Investment as a result of the incentive certificate application made to the Republic of Türkiye Ministry of Industry and Technology General Directorate of Incentive Implementation and Foreign Capital (Note 25).

Relevant government grants are recognized in the financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grant will be received by the entity. The portion of government grants related to previously capitalized development costs is deducted from the acquisition cost of the intangible asset, while other government grants are recognized as income in the period in which they arise.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.14 Taxes Calculated on Corporate Income

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.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Tax is included in the statement of profit or loss, unless it is related to a transaction recognized directly in equity. Otherwise, the tax is recognized in equity together with the related transaction.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.15 Employee Benefits

Termination benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan in accordance with the revised TAS 19 Employee Benefits ("TAS 19").

The retirement pay liability recognized in the balance sheet is calculated by estimating the net present value of the future probable obligation of the Company arising from the retirement of all employees and reflected in the financial statements. All actuarial gains and losses are recognized in other comprehensive income.

2.6.16 Statement of Cash Flows

In the statement of cash flows, cash flows are classified according to operating, investment and financing activities.

2.6.17 Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as a deduction from retained earnings in the period in which the dividend is declared.

2.6.18 Segment Reporting

The segments have been combined into a single operating segment with similar economic characteristics, taking into account the nature of the products and production processes, the type of customers for the products and services and the methods used to distribute the products or deliver the services.

Detailed information on the Group's sales revenue is disclosed in Note 17. In 2025, 12% of the Group's revenue is generated from a customer not related to the Group (2024: 16%).

NOTE 3 – CASH AND CASH EQUIVALENTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash	134	219
Cash at Banks	1,075,349	2,875,248
-Demand Deposit	1,055,349	1,869,997
-Time Deposit	20,000	1,005,251
	1,075,483	2,875,467

The details of the Group's time deposits as of 31 December 2025 are as follows (31 December 2024: TL 1,005,251 maturity date 10 January 2025, interest rate 48%).

<u>Currency</u>	<u>Interest Rate (%)</u>	<u>Maturity</u>	<u>31 December 2025</u>
TL	38.00	2 January 2026	10,000
TL	38.25	2 January 2026	10,000

The Group has no blocked balance in its bank deposits as of December 31, 2025 (December 31, 2024: None).

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NOTE 4 – FINANCIAL INSTRUMENTS

Financial Borrowings

Short-Term Financial Borrowings

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-term bank loans	25,655,516	37,479,509
Short-term portions of long-term borrowings	19,015,166	15,200,042
Lease liabilities	66,186	94,863
	44,736,868	52,774,414

Long-Term Financial Borrowings

	<u>31 December 2025</u>	<u>31 December 2024</u>
Long-term bank loans	77,905,526	70,901,553
Lease liabilities	96,263	163,139
	78,001,789	71,064,692
	122,738,657	123,839,106

Some of the Group's loans are subject to covenants that must be complied with. In accordance with these covenants, as of 31 December 2025, since the performance criteria were not met, loans with original maturities in 2027, 2028, and 2029 amounting to EUR 77,239 thousand (TL 3,891,030 thousand) have been presented under short-term financial liabilities.

a) Bank loans

As of 31 December 2025 and 31 December 2024, bank loans and interest accruals related to these loans are as follows:

Principal	<u>31 December 2025</u>			<u>31 December 2024</u>		
	Weighted average effective interest rate (%)	Currency amount (*)	TL	Weighted average effective interest rate (%)	Currency amount (*)	TL
TL	23.81	-	6,720,279	22.72	-	4,588,449
US Dollar	8.34	273,651	11,745,877	8.49	636,612	29,451,094
Euro	6.14	2,016,713	101,594,967	5.93	1,804,504	86,925,502
			120,061,123			120,965,045
Interest accrues						
TL	-	-	167,132	-	-	184,463
US Dollar	-	23,800	1,021,568	-	19,793	915,652
Euro	-	26,327	1,326,385	-	31,470	1,515,944
			122,576,208			123,581,104

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

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NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

a) Bank loans (cont'd)

The repayment schedule of the bank loans as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Within 1 year	44,670,682	52,679,551
Within 1–2 years	14,048,345	27,632,914
Within 2–3 years	16,129,682	11,048,506
Within 3–4 years	13,949,687	9,405,148
Within 4–5 years	14,500,245	7,760,658
5 years and longer	19,277,567	15,054,327
	122,576,208	123,581,104

b) Lease liabilities

Distribution of lease liabilities	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-term	66,186	94,863
Long-term	96,263	163,139
	162,449	258,002

Maturity distribution:	<u>31 December 20245</u>	<u>31 December 2024</u>
Within 1 year	66,186	94,863
Within 1–2 years	63,509	63,239
Within 2–3 years	32,754	65,908
Within 3–4 years	-	33,992
	162,449	258,002

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 5.46% annually (2024: 5.44%). Lease contracts currency is Euro.

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NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

b) Lease liabilities (cont'd)

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.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Opening balance	123,839,106	123,469,924
Interest expense	11,026,234	8,540,441
Interest paid	(8,723,879)	(7,195,906)
Exchange rate difference	37,752,763	18,548,303
Payments for lease liabilities	(65,265)	(239,006)
Evly acquired loans	77,194,668	85,279,255
Repayments of loans	(77,963,656)	(60,487,128)
Share conversions of issued debt instruments	-	(4,643,661)
Commission expenses	1,373,633	542,933
Commission paid	(1,373,633)	(542,933)
Monetary gain	(40,321,314)	(39,433,116)
Closing balance	122,738,657	123,839,106

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables (*)	5,699,338	6,869,157
Checks received (**)	3,491,417	4,296,666
Provision for doubtful receivables	(8,376)	(10,964)
	9,182,379	11,154,859
Receivables from related parties (Note 27)	709,441	92,111
	9,891,820	11,246,970

(*) As of 31 December 2025, trade receivables are discounted by using monthly 3.75% for TL, 0.65% for US Dollar, 0.60% for Euro (As of 31 December 2024: 4.46% for TL, 0.69% for US Dollar, 0.49% for Euro).

(**) Notes received constitute the notes obtained from customers and kept in portfolio as a result of trade activities and consist of TL 1,924,031 with maturities of less than three months (31 December 2024: TL 2,288,780).

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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.

Overdue period	<u>31 December 2025</u>	<u>31 December 2024</u>
Up to 1 month	1,800,996	1,597,829
1 - 3 months	270,086	607,464
More than 3 months	70,963	279,762
	2,142,045	2,485,055

As of 31 December 2025 and 31 December 2024, no provision for receivables has been recognized in these consolidated financial statements due to the existence of direct debit system, bank guarantees, mortgages and customer checks as collaterals for receivables that are past due but not impaired.

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

Overdue period	<u>31 December 2025</u>	<u>31 December 2024</u>
Over 6 months	8,376	10,964
	8,376	10,964

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.

	<u>1 January – 30 December 2025</u>	<u>1 January – 31 December 2024</u>
Balances as of 1 January	(10,964)	(11,638)
Provision for the period	-	-
Monetary gain	2,588	674
Balances as of 31 December	(8,376)	(10,964)

Trade Payables (Short-term)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade payables (*)	20,750,701	9,908,135
	20,750,701	9,908,135

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

Trade Payables (Long-term)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade payables (*)	1,430,763	2,313,110
	<u>1,430,763</u>	<u>2,313,110</u>

(*) As of 31 December 2024, trade payables are discounted at the rates of TL 3.75%, USD 0.65%, EUR 0.60% (31 December 2024: TL 4.46%, USD 0.69%, EUR 0.49%) per month. The average maturities of trade receivables and trade payables as of 31 December 2025 are 64 days and 84 days, respectively (31 December 2024: 48 days and 138 days).

NOTE 6 – PAYABLES RELATED TO EMPLOYEE BENEFITS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Social security premiums payable	144,858	147,550
Due to personnel	123,910	105,576
	<u>268,768</u>	<u>253,126</u>

NOTE 7 – OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME

Other Current Receivables

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deposits and guarantees given	41	524
Other receivables (*)	7,092	24,406
	<u>7,133</u>	<u>24,930</u>

(*) Other receivables consist of interest VAT receivables, business and service advances.

Other Payables

	<u>31 December 2025</u>	<u>31 December 2024</u>
Taxes, duties and fees payable	47,727	487,879
	<u>47,727</u>	<u>487,879</u>

Contract Liabilities (Current)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Advances received for orders	1,430,687	961,594
Advances received for orders from related parties (Note 27)	227,616	449,347
	<u>1,658,303</u>	<u>1,410,941</u>

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NOTE 8 – INVENTORIES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Raw materials	4,507,701	9,236,164
Semi – finished goods	2,792,919	159,337
Finished goods	2,253,518	4,443,789
Spare parts	1,108,396	363,289
Other inventories	179,070	164,309
Goods in transit (*)	3,787,403	2,895,440
	<u>14,629,007</u>	<u>17,262,328</u>

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

NOTE 9 - PREPAID EXPENSES

Prepaid Expenses (Short-Term)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Prepaid insurance expenses	748,635	1,073,308
Other prepaid expenses	487,129	664,074
	<u>1,235,764</u>	<u>1,737,382</u>

Prepaid Expenses (Long-Term)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Given advances for fixed assets (*)	3,371,177	4,679,949
	<u>3,371,177</u>	<u>4,679,949</u>

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

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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 31 December 2025 and 2024 is as follows:

	1 January 2025	Additions	Transfers	Revaluation	Disposals	31 December 2025
Cost						
Land	24,253,704	1,759,506	488,380	17,094,032	(159,699)	43,435,923
Land improvements	378,779	171,220	52,230	-	(3,334)	598,895
Buildings	7,167,103	22,275	44,214,079	5,918,603	(17,512)	57,304,548
Machinery, plant and equipment	47,414,110	308,115	71,538,604	-	(195,527)	119,065,302
Vehicles	221,215	15,062	81,835	-	(3,791)	314,321
Furniture and fixtures	610,903	14,117	339,485	-	(6,192)	958,313
Construction in progress (*)	135,061,742	11,742,295	(116,919,175)	-	-	29,884,862
	215,107,556	14,032,590	(204,562)	23,012,635	(386,055)	251,562,164
Accumulated depreciation						
Land improvements	258,888	10,737	-	-	(3,027)	266,598
Buildings	2,690,154	1,543,709	-	-	(15,902)	4,217,961
Machinery, plant and equipment	18,501,742	4,806,561	-	-	(125,872)	23,182,431
Vehicles	170,858	24,801	-	-	(3,652)	192,007
Furniture and fixtures	351,660	87,711	-	-	(2,158)	437,213
	21,973,302	6,473,519	-	-	(150,611)	28,296,210
Net book value	193,134,254					223,265,954

(*) For the period ended 31 December 2025, there is no borrowing cost capitalized in construction in progress (31 December 2024: None) (Note 4). As of 31 December 2025, the Group has pledged machinery amounting to TL 125,245,521 on its property, plant and equipment (31 December 2024: TL 67,433,160) (Note 13).

(**) Property, plant and equipment assets resulting from the capitalization of investments completed during the period were transferred to tangible fixed assets (Note 11).

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

	1 January 2024	Additions	Transfers	Revaluation	Disposals	31 December 2024
Cost						
Land	23,940,949	312,755	-	-	-	24,253,704
Land improvements	343,957	35,046	-	-	(224)	378,779
Buildings	7,129,796	46,202	(7,871)	-	(1,024)	7,167,103
Machinery, plant and equipment	47,440,032	128,683	7,871	-	(162,476)	47,414,110
Vehicles	216,245	4,974	-	-	(4)	221,215
Furniture and fixtures	589,481	27,317	-	-	(5,895)	610,903
Construction in progress (*)	96,424,094	38,637,648	-	-	-	135,061,742
	176,084,554	39,192,625	-	-	(169,623)	215,107,556
Accumulated depreciation						
Land improvements	245,559	13,838	-	-	(509)	258,888
Buildings	2,454,788	237,455	-	-	(2,089)	2,690,154
Machinery, plant and equipment	16,652,283	1,932,527	-	-	(83,068)	18,501,742
Vehicles	144,273	26,732	-	-	(147)	170,858
Furniture and fixtures	289,380	62,822	-	-	(542)	351,660
	19,786,283	2,273,374	-	-	(86,355)	21,973,302
Net book value	156,298,271					193,134,254

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

Fair value measurement of the Group's freehold lands

The freehold land, plots and buildings owned by the Group are stated at their revalued amount as of balance sheet date. The fair value of the lands owned by the Group was determined by TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş., a valuation company independent from the Group, as of 31 December 2025. TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş. is authorized by the CMB and provides real estate valuation services in accordance with the capital market legislation and has sufficient experience and qualifications in measuring the fair value of real estates in the relevant regions. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

Details of the Group's freehold land, plots and buildings and information about the fair value hierarchy as of 31 December 2025 are as follows:

There has been no transition between levels during the current period.

Movement of land, plots and buildings which is revalued in Level 2 is as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Opening balance	31,420,807	31,070,745
Additions	1,781,781	358,957
Transfers	44,702,459	-
Disposals	(177,211)	(8,895)
Increase in fair value	23,012,635	-
<i>-Recognized in other comprehensive income</i>	23,012,635	-
Closing balance	100,740,471	31,420,807

If land, plots and buildings were recognized at their historical cost, carrying amount would be as follows:

	31 December 2025	31 December 2024
Lands	13,552,541	4,126,627
Building	51,385,945	5,962,861
	64,938,486	10,089,488

Income statement related to the total depreciation expense and amortization (tangible fixed assets and intangible assets) for the accounting periods ended on 31 December 2025 and 2024 their accounts are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Production cost (Note: 17)	6,391,626	2,246,048
General administrative expenses (Note: 18)	94,217	61,254
Marketing, selling and distribution expenses (Note: 18)	48,340	36,422
Research expenses (Note: 18)	10,636	11,752
	6,544,819	2,355,476

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NOTE 11 – INTANGIBLE ASSETS

The movement of intangible assets and related accumulated amortization for the periods ended 31 December 2025 and 2024 is as follows:

	1 January 2025	Additions	Transfers(*)	Disposal	31 December 2025
Cost					
Software and development costs	1,239,428	36,860	204,562	(1,077)	1,479,773
	1,239,428	36,860	204,562	(1,077)	1,479,773
Accumulated amortization					
Software and development costs	487,656	71,300	-	(332)	558,624
	487,656	71,300	-	(332)	558,624
Net book value	751,772				921,149

(*) Related amount has been transferred from construction in progress after capitalization.

	1 January 2024	Additions	Transfers(*)	Disposal	31 December 2025
Cost					
Software and development costs	1,082,223	157,205	-	-	1,239,428
	1,082,223	157,205	-	-	1,239,428
Accumulated amortization					
Software and development costs	405,554	82,102	-	-	487,656
	405,554	82,102	-	-	487,656
Net book value	676,669				751,772

The income statement accounts related to the total amortization for the accounting periods ending on 31 December 2025 and 2024 are given in Note 10.

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision for Litigation

	<u>31 December 2025</u>	<u>31 December 2024</u>
Provision for litigation (*)	33,073	31,454
	33,073	31,454

(*) 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 31 December 2025 and 2024, the movement tables of the provision for litigation are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Balances as of 1 January	31,454	12,119
Provision for the period	18,262	24,644
Provision written-off within the period	(9,219)	(1,585)
Monetary gain/loss	(7,424)	(3,724)
Balances at 31 December	33,073	31,454

NOTE 13 – COMMITMENTS

As of 31 December 2025 and 31 December 2024, the total of commitments not included in the liabilities:

Commitments based on export incentive certificates

	<u>31 December 2025</u>	<u>31 December 2024</u>
Total amount of export commitment of certificates	105,977,390	116,247,050
Total amount of export commitment of documents which are presently fulfilled but closing transactions are not concluded yet	38,000,596	17,452,026
Total export commitment of open documents registered in the document	67,976,794	98,795,024
Open export incentives	41,940,799	66,221,442
	<u>31 December 2025</u>	<u>31 December 2024</u>
Open Letter of Credits	11,271,573	3,064,551

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

	<u>31 December 2025</u>				<u>31 December 2024</u>			
	TL Equivalent	TL	US Dollar	Euro	TL Equivalent	TL	US Dollar	Euro
A. Total CPMs given for Company's Own Legal Entity (*)	133,410,504	8,128,483	216,839	2,302,158	103,181,725	5,437,172	71,468	1,879,387
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	-	-	-	-	-	-	-	-
Total CPM	133,410,504	8,128,483	216,839	2,302,158	103,181,725	5,437,172	71,468	1,879,387

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

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NOTE 13 – COMMITMENTS (cont'd)

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 125,245,521 (31 December 2024: TL 67,433,160).

As of 31 December 2025, the percentage of the other CPM's given by the Group to the total equity is 0% (31 December 2024: 0%).

Guarantees received as of 31 December 2025 and 31 December 2024 are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Letters of guarantee received	3,940,607	3,172,035
	<u>3,940,607</u>	<u>3,172,035</u>

NOTE 14 - PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for long-term employee benefits

	<u>31 December 2025</u>	<u>31 December 2024</u>
Provision for employee termination benefits	293,719	260,748
Accumulated provision for unused vacation	34,852	39,247
	<u>328,571</u>	<u>299,995</u>

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 31 December 2025 and 2024 are as follows:

	<u>1 January – 31 December 2025</u>	<u>1 January – 31 December 2024</u>
Balances as of 1 January	39,247	48,604
Provision for the period	22,686	49,489
Provision released during the period	(17,817)	(43,908)
Monetary gain / loss	(9,264)	(14,938)
Balances at 31 December	34,852	39,247

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

Provision for Employee 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 December 1999, related labor law was changed and retirement requirements made gradual.

As at 31 December 2025, the maximum amount payable consists of TL 64.95 per month for each year of service (31 December 2024: TL 46.66) is subject to the ceiling.

The provision for severance pay is not legally subject to any funding. 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.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate (%)	3.40	3.40
Retention rate to estimate probability of retirement (%)	95	95

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 64.95 (1 January 2025: TL 46.66), which is expected to be effective from 1 January 2026, has been taken into consideration in calculating the provision for employment termination benefits of the Group:

	<u>1 January – 31 December 2025</u>	<u>1 January – 31 December 2024</u>
Balances at 1 January	260,748	236,276
Provision recognised during the period	194,859	216,440
Payment within the period	(100,224)	(119,506)
Actuarial loss/(gain)	(5,900)	27,101
Monetary gain / loss	(55,764)	(99,563)
Balances at 31 December	293,719	260,748

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NOTE 15 - OTHER ASSETS AND LIABILITIES

Other Current Assets

	<u>31 December 2025</u>	<u>31 December 2024</u>
VAT carried forward	1,700,376	274,021
VAT return receivables from export and domestic market sales (*)	1,027,762	1,092,346
	2,728,138	1,366,367

(*) As of 31 December 2025, the Group has completed the application process for TL 1,027,762 of the VAT receivable amounting to TL 543,679 and as of the report publication date, TL 235,375 of the refund application has been collected (31 December 2024: TL231,180).

NOTE 16 – EQUITY

Sasa Polyester Sanayi A.Ş.'s fully paid-in and issued capital consists of 4,381,561,536,080 shares (31 December 2024: 4,381,561,536,080 shares) with a nominal value of Kr 1 each. The shareholders of the Group and their shareholding percentages as of 31 December 2025 and 31 December 2024 are as follows:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	Share amount	Share percentage	Share amount	Share percentage
Erdemoğlu Holding A.Ş. (*)	30,153,220	68.82	24,792,253	56.58
Erdemoğlu Global Gayrimenkul A.Ş. (**)	-	-	8,817,529	20.12
Other	13,662,395	31.18	10,205,833	23.29
Paid In Capital	43,815,615	100	43,815,615	100
Adjustments to share capital	23,248,500		23,248,500	
Total	67,064,115		67,064,115	

(*) On May 14, 2025, 1,200,000,000 (one billion two hundred million) shares of Sasa Polyester, a group company owned by Erdemoğlu Global Gayrimenkul A.Ş., wholly owned by Erdemoğlu Holding A.Ş., representing approximately 2.7% of Sasa Polyester's capital, were sold to Erdemoğlu Holding A.Ş. at a price of 3.71 TL. On May 14, 2025, Erdemoğlu Holding A.Ş. conducted a derivative transaction with an international financial institution regarding Sasa shares. To manage the risk associated with the derivative transaction, the financial institution purchased 1,200,000,000 Sasa shares, representing approximately 2.7% of Sasa's issued capital, directly from Erdemoğlu Holding at the closing price of 3.79 TL on that day.

Within the scope of a debt-based transaction carried out between Erdemoğlu Holding A.Ş. and an international investment firm based abroad, 125,621,328 Sasa shares were transferred to the relevant investment firm on June 11, 2025, in order to fulfill the relevant part of the debt in accordance with the agreement subject to the transaction. Following the share transfer, Erdemoğlu Holding A.Ş.'s direct shareholding in Sasa has become 56.30%.

(**) On September 30, 2025, 1,815,000,000 (one billion eight hundred fifteen million) shares of Sasa Polyester, a group company owned by Erdemoğlu Global Gayrimenkul A.Ş., whose entire capital is owned by Erdemoğlu Holding A.Ş., representing approximately 4.14% of Sasa Polyester's capital, were sold to Erdemoğlu Holding A.Ş. at a price of 3.45 TL. Following the share transfer, Erdemoğlu Holding A.Ş.'s direct shareholding in Sasa increased to 60.44%. Shareholders' equity items of Group as of 31 December 2024 and 31 December 2023 prepared in accordance with the Communiqué No: XI-29 are as follows:

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NOTE 16 – EQUITY (cont'd)

The merger of Erdemoğlu Holding A.Ş. and its wholly owned subsidiary Erdemoğlu Global Gayrimenkul A.Ş. under the umbrella of Erdemoğlu Holding A.Ş. was registered by the Istanbul Trade Registry Directorate and the Gaziantep Trade Registry Directorate on November 7, 2025, and announced in the Turkish Trade Registry Gazette numbered 11453.

Following the share transfer transactions conducted by Erdemoğlu Holding A.Ş., one of the shareholders of Sasa Polyester, a group company, with qualified institutional investors located in and outside Türkiye between October 6, 2025 and December 24, 2025, Erdemoğlu Holding A.Ş.'s direct shareholding in Sasa has reached 68.82%.

According to the Group's Communiqué Series: XI, No: 29, the equity statement as of December 31, 2025 and December 31, 2024 is as follows.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Paid-in Capital	43,815,615	43,815,615
Capital Adjustment Differences	23,248,500	23,248,500
Repurchased Shares (**)	(326,585)	(37,335)
<u>Restricted Reserves Appropriated from Profit</u>	<u>23,969,908</u>	<u>23,969,908</u>
Share Premiums	18,027,843	18,027,843
Prior Years' Profits	40,345,150	17,268,146
Defined Benefit Plans Remeasurement Losses	(57,596)	(62,021)
Gain on Revaluation of Property, Plant and Equipment	27,264,773	8,063,877
Net Profit/(Loss) for the Period	(21,985,556)	23,926,150
Total equity	154,302,052	158,220,683

(*) 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.

(**) These represent the publicly traded shares that have been repurchased by the Group. As of 31 December 2025, the total nominal value of Sasa shares held by the Group amounts to TL 326,585, and the proportion of these shares within the total share capital of TL 43,815,615 is 0.7454%.

Restricted Reserves Appropriated from Profit

The restricted reserves set aside from profits consist of the first and second legal reserves set aside in accordance with the Turkish Commercial Code. The first legal reserves are set aside at an annual rate of 5% of the past period commercial profit until all reserves reach 20% of the historical (non-indexed for inflation) paid-in capital. The second legal reserves are set aside at an annual rate of 10% of all cash dividend distributions after the first legal reserves and dividends.

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.

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NOTE 16 – EQUITY (cont'd)

Restricted Reserves Appropriated from Profit (cont'd)

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.

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. The Group has adopted the principle of distributing 50% of the distributable profit to shareholders as cash dividend. 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 not profit for the period 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 point in time by transferring goods. The amount that the Company will be entitled to recognize in the future from the remaining performance obligations is TL 1,658,303 (31 December 2024: TL 1,410,941) (Note 7). The Group expects to recognize this revenue in the financial statements within one year.

Revenue

	1 January- 31 December 2025	1 January- 31 December 2024
Polyester Chips (SPC)	24,360,345	24,323,687
<i>Domestic</i>	11,885,009	15,327,811
<i>Foreign</i>	12,475,336	8,995,876
Polyester Fiber	16,910,474	21,619,503
<i>Domestic</i>	10,274,671	12,584,314
<i>Foreign</i>	6,635,803	9,035,189
Polyester Yarn (Filament)	7,020,039	11,011,395
<i>Domestic</i>	6,969,591	10,954,215
<i>Foreign</i>	50,448	57,180
Poy (Filament)	3,967,403	6,101,935
<i>Domestic</i>	3,937,768	6,073,919
<i>Foreign</i>	29,635	28,016
Other	861,116	534,147
<i>Domestic</i>	814,238	131,935
<i>Foreign</i>	46,878	402,212
Revenue	53,119,377	63,590,667

Cost of Sales

	1 January- 31 December 2025	1 January- 31 December 2024
Raw materials expense	35,769,348	45,044,953
Energy expenses	3,176,560	2,532,094
Labor expenses	3,180,782	2,752,087
Depreciation and amortization expenses (Note 10)	5,442,998	1,363,402
Spare parts and maintenance expenses	857,904	498,811
Insurance expenses	587,478	555,486
Usage of semi-finished goods	(89,838)	(42,393)
Other expenses	772,694	808,639
Production Cost for the Period	49,697,926	53,513,079
Change in finished good inventory during the period	(2,131,932)	(2,652,514)
Cost of waste goods sold	172,786	148,192
Other idle period expense	867,943	785,909
Depreciation and amortization for the idle period (Note 10)	948,628	882,646
Cost of Goods Sold During the Period	49,555,351	52,298,365

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

	1 January- 31 December 2025	1 January- 31 December 2024
Personnel expenses	425,184	395,950
Severance and notice pay	159,051	175,136
Consultancy expenses	95,728	95,729
Depreciation and amortization expenses (Note 10)	94,217	61,254
Insurance expenses	75,858	116,843
Auxiliary service expenses	50,616	20,783
Supplies, repair and maintenance expenses	40,836	52,967
Provision for litigation (Note 12)	18,262	24,644
Energy expenses	2,246	4,098
Other expenses	20,807	4,788
	982,805	952,192

Marketing Expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Export and freight expenses	1,946,691	1,892,549
Taxes and duties expenses	199,604	22,253
Personnel expenses	189,701	181,037
Insurance expenses	61,106	66,854
Depreciation and amortization expenses (Note 10)	48,340	36,422
Other expenses	94,944	128,672
	2,540,386	2,327,787

Research and Development Expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Labor and personnel expenses	34,218	113,400
Depreciation and amortization expenses (Note 10)	10,636	11,752
Initial raw material and supplies cost	758	-
Other expenses	4,670	2,884
	50,282	128,036

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NOTE 19 - OTHER INCOME / EXPENSE FROM OPERATING ACTIVITIES**Other Operating Income**

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange income on trade receivables/payables	7,267,793	12,053,635
Profits from insurance events	697,142	343,784
Income on miscellaneous sales	196,434	509,203
Raw materials sales income	187,394	63,083
Other income (*)	189,770	442,733
	8,538,533	13,412,438

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

Other Operating Expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange losses on trade receivables/payables	6,801,583	11,991,185
Miscellaneous cost of sales	179,396	203,397
Raw material cost of sales	160,160	38,338
Taxes, duties and charges	77,708	48,130
Other expenses	252,757	1,461,084
	7,471,604	13,742,134

NOTE 20 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

	1 January- 31 December 2025	1 January- 31 December 2024
Gain on sale of property, plant and equipment (*)	20,652	1,986
Loss on sale of property, plant and equipment (*)	(159,755)	(49,924)
	(139,103)	(47,938)

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

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NOTE 21 – EXPENSES BY NATURE

	1 January- 31 December 2025	1 January- 31 December 2024
Direct raw materials expense	35,769,348	45,044,953
Depreciation and amortization expenses (Note 10)	6,544,819	2,355,476
Labor and personnel expenses	3,829,885	3,340,825
Energy expenses	3,178,806	2,536,192
Export and freight costs	1,946,691	1,892,549
Other idle period expense	867,943	785,909
Spare parts and maintenance expenses	857,904	498,811
Insurance expenses	725,200	739,183
Taxes and duties expenses	199,604	36,422
Cost of waste goods sold	172,786	148,192
Severance and notice pay	159,051	175,136
Consultancy expenses	95,728	95,729
Auxiliary service expenses	50,616	20,783
Material maintenance and repair expenses	40,836	52,967
Litigation provision (Note 12)	18,262	24,644
Usage of semi-finished product	(89,838)	(42,393)
In-period product utilization	(2,131,932)	(3,031,461)
Other expenses	893,115	1,032,463
	53,128,824	55,706,380

Note 22- FINANCIAL INCOME

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange income	575,824	2,066,334
Interest income	174,284	280,972
Fair value difference of derivative financial instruments	148,500	-
	898,608	2,347,306

NOTE 23 – FINANCIAL EXPENSES

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange expenses	37,752,763	18,548,303
Interest expenses	11,026,234	8,540,441
Commission and other bank cost expenses	1,373,633	915,569
	50,152,630	28,004,313

NOTE 24 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

	31 December 2025	31 December 2024
Property, plant and equipment revaluation fund	27,264,773	8,063,877
Defined benefit plans remeasurement gain	(57,596)	(62,021)
	27,207,177	8,001,856

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NOTE 24 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS (cont'd)

Property, plant and equipment revaluation fund

	1 January- 31 December 2025	1 January- 31 December 2024
Balances at the beginning of the period	8,063,877	8,063,877
Revaluation of property, plant and equipment (Note 10)	23,012,635	-
Arising from revaluation transaction deferred tax liabilities (Note 25)	(3,811,739)	-
Balances at the end of the period	27,264,773	8,063,877

Property, plant and equipment revaluation fund arises as a result of the revaluation of buildings and lands. In case of disposal of a revalued building or land, the part of the revaluation fund associated with the sold asset is transferred directly to retained earnings.

Defined benefits plan remeasurement gain

	1 January- 31 December 2025	1 January- 31 December 2024
Balances at the beginning of the period	(62,021)	(41,695)
Increase/(Decrease) during the period (Note 14)	5,900	(27,101)
Deferred tax effect (Note 25)	(1,475)	6,775
Balances at the end of the period	(57,596)	(62,021)

NOTE 25 - TAX ASSETS AND LIABILITIES

	31 December 2025	31 December 2024
Corporate tax payable	-	-
Prepaid taxes and funds (-)	(48,158)	(35,204)
	(48,158)	(35,204)

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%.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

Deferred Taxes (cont'd)

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 31 December 2025 and 31 December 2024 using the enacted tax rates are as follows:

	Cumulative temporary difference		Deferred tax asset/(liability)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net difference between recorded value of property, plant and equipment and intangible assets and tax value	29,490,725	(14,594,885)	(7,372,681)	3,648,454
Property, plant and equipment revaluation difference	31,227,723	10,752,894	(5,865,511)	(2,687,955)
Investment incentives deduction to be used (*)	(72,184,066)	(76,287,462)	66,540,105	69,750,544
Deductible accumulated financial losses (**)	(38,493,634)	-	9,623,409	-
Provision for employment termination benefits	(293,719)	(260,585)	73,430	65,146
Valuation differences of inventories	(1,060,515)	(542,661)	265,129	135,666
Adjustment for advances given and received, net	298,437	41,436	7,748	10,359
Adjustment of periodicity of sales	(70,861)	(40,567)	17,715	10,142
Provision for unused vacation	(34,852)	(39,247)	8,713	9,812
Provision for litigation	(33,073)	(31,453)	8,268	7,864
Provision for doubtful receivables	(8,376)	(10,964)	2,094	2,741
Provision for export expense	(34,346)	(35,104)	8,587	8,776
Adjustments for foreign currency exchange difference	(231,300)	(243,256)	57,825	59,362
Adjustments relating to derivative financial assets	148,500	-	(37,125)	-
Other Adjustments	18,261	-	(4,565)	-
Deferred tax assets	-	-	76,605,275	73,698,507
Deferred tax liabilities	-	-	(13,354,491)	(2,734,634)
Deferred tax asset, net			63,250,784	70,963,873

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

(**) The deferred tax effect of deductible financial losses is calculated separately for each company within the scope of consolidation. As of 31 December 2025, the Group has recognized a deferred tax asset amounting to TL 9,623,409 to be utilized within the next five years from its deductible financial losses.

The details of the Group's available prior-year tax losses by their expiry dates as of 31 December 2025 and 31 December 2024 are presented below:

	31 December 2025	31 December 2024
Expired in 2030	38,493,634	-
	38,493,634	-

Allocation of deferred tax in group company basis is as follows:

	31 December 2025	31 December 2024
Sasa Polyester San. A.Ş.	63,223,675	70,948,139
Sasa Dış Ticaret A.Ş.	27,109	15,734
	63,250,784	70,963,873

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

Deferred Taxes (cont'd)

Movement table of deferred tax is as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Balances at 1 January	70,963,873	69,470,271
Deferred tax (expense)/income of the period	(3,899,875)	1,486,827
Deferred tax expense recognized under other comprehensive income (Note 25)	(3,813,214)	6,775
Balances at 31 December	63,250,784	70,963,873

Reconciliation of tax provision

	1 January – 31 December 2025	1 January – 31 December 2024
Profit/(Loss) before tax from operating activities	(18,085,681)	22,439,323
Income tax rate: 25% (2024: 25%)	4,285,840	(5,609,831)
Tax effects:		
-Non-deductible expenses	(1,388,248)	(249,078)
-Effects of reduced corporate tax application	(3,210,439)	10,021,995
-Other adjustments and monetary gain / (loss)	(3,822,608)	(2,676,259)
Tax provision income in the income statement	(3,899,875)	1,486,827

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 2025 is 25% (2024: 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% (2024: 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.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

Corporate Tax (cont'd)

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.

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)

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.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

The amount of investment subject to incentive has reached to TL 56,296,668 (31 December 2024: TL52,185,276) 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 9,951,281 (31 December 2024: TL9,399,037) 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).

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 2024: TL 336,066) 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 a result of the incentive certificate application submitted by Sasa Polyester Sanayi A.Ş., one of the group companies, to the Republic of Türkiye Ministry of Industry and Technology, Directorate General of Incentive Implementation and Foreign Investment, investment incentive certificates were obtained on February 20 and 25, 2025 for the Solar Power Plant (SPP) Investment.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

As of the report date, the investment amount subject to the incentive is 816,634 TL, and the incentive elements utilized by 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 31 December 2025, the Group has TL 66,540,105 tax deduction right to be used in the following periods (2024: TL 76,287,462).

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 66,540,105 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 31 December 2025, 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 2025 when the investments are planned to be completed.
- Long-term inflation expectation of 17% was used in the prepared profit projections. The 2026 year-end exchange rate expectation is 52.5% and the long-term exchange rate increase expectation is 10% - 15% (in USD basis).
- Possible tax planning strategies have been considered.

As a result of the assessments made according to the available analyses, the Group 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 7 years starting from 2025. In the probability of 10% deviation in the profitability of the projections, there is no change in this predicted recovery period.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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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. As of 31 December 2025, the Company is not presenting the diluted earnings per share since the convertible debt is antidilutive.

	<u>1 January- 31 December 2025</u>	<u>1 January- 31 December 2024</u>
Net profit/(loss)	(21,985,556)	23,926,150
<i>Weighted average number of shares:</i>		
Weighted average number of ordinary shares	43,815,615,361	43,815,615,361
Earnings/(loss) per share with a nominal value of 1 TL (full TL)	(0.5018)	0.5461

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.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Özerdem Mensucat San. Tic. A.Ş.	567,447	92,111
Zeki Mensucat Sanayi ve Tic. A.Ş.	141,994	-
	<u>709,441</u>	<u>92,111</u>

b) Contract liabilities arising from customer contracts with related parties:

The Group's contract liabilities arising from related parties consist of advances received in connection with product sales to be made to its related parties.

Obligations arising from short-term customer contracts	<u>31 December 2025</u>	<u>31 December 2024</u>
Merinos Halı San. Tic. A.Ş.	227,474	172,660
Zeki Mensucat Sanayi ve Tic. A.Ş.	142	276,687
	<u>227,616</u>	<u>449,347</u>

c) Other payables to related parties:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Merinos Halı San. Tic. A.Ş.	11,483,335	347,831
Erdemoğlu Holding A.Ş.	7,531,127	6,966,367
	<u>19,014,462</u>	<u>7,314,198</u>

Monthly interest is charged on the amount sent to the Group by Erdemoğlu Holding A.Ş. and Merinos Halı Sanayi ve Ticaret A.Ş.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
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NOT 27 - RELATED PARTY DISCLOSURES (cont'd)**d) Sales to related parties:**

	1 January – 31 December 2025	1 January – 31 December 2024
	Product	Product
Merinos Halı San. Tic. A.Ş.	1,912,728	2,744,927
Zeki Mensucat Sanayi ve Tic. A.Ş.	1,406,847	1,925,848
Özerdem Mensucat San. Tic. A.Ş.	1,080,173	1,395,006
Akal İplik Tekstil San Tic. A.Ş.	1,785	1,253
	4,401,533	6,067,034

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

e) Purchases from related parties:

	1 January – 31 December 2025	1 January – 31 December 2024
	Product	Product
Erdemoğlu Holding A.Ş.	517,977	2,138,004
Merinos Halı San. Tic. A.Ş.	378,202	94,809
Zeki Mensucat Sanayi ve Tic. A.Ş.	538	-
	896,717	2,232,813

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

	1 January – 31 December 2025	1 January – 31 December 2024
Özerdem Mensucat San. Tic. A.Ş.	58,018	304
Merinos Halı San. Tic. A.Ş.	2,547	48,943
Zeki Mensucat San. Tic. A.Ş.	1,423	7,987
Akal İplik Tekstil San Tic. A.Ş.	4	26
	61,992	57,260

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

As of 31 December 2025 and 2024, remuneration of the Board of Directors and key management personnel amounts are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Short-term benefits provided to key management	80,273	78,530
	80,273	78,530

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

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 4, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group's objectives when managing capital are to maintain the Group's ability to continue to operate in order to provide returns for shareholders, benefits for other shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or reorganize its capital structure, the Group determines the amount of dividend payable to shareholders, can issue new shares and sell assets to reduce borrowing.

As of 31 December 2025 and 2024, the debt-to-equity ratio calculated by dividing net debt, calculated by deducting cash and cash equivalents and short-term financial investments from financial liabilities, by total capital is as follows:

	31 December 2025	31 December 2024
Financial Borrowings (Note 4)	122,738,657	123.839.106
Other Payables to Related Parties (Note 27)	19,014,462	7.314.198
Less: Cash and Cash Equivalents and Financial Investments (Note 3)	(1,075,483)	(2.875.467)
Net Debt	140,677,636	128.277.837
Total Equity	154,302,052	158.220.683
Total Capital	294.979.688	286.498.520
Net Debt/Total Capital Ratio	48%	45%

b) 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.

The Group is exposed to foreign exchange risk arising from exchange rate fluctuations due to the translation of foreign currency-denominated payables and receivables into Turkish Lira. This foreign exchange risk is monitored through analysis of the foreign currency position and is limited by foreign currency sales transactions.

b.1 Credit risk management

Credit risk consists of cash and cash equivalents, bank deposits and customers exposed to credit risk due to uncollectible receivables.

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

b) Financial Risk Management (cont'd)

b.1 Credit risk management (cont'd)

Receivables

The Group uses the Credit Control procedure approved by the Management to manage the credit risk of receivables from customers. According to this procedure, the Group determines a risk limit for each customer (excluding related parties) separately by using receivable insurance, bank guarantees, mortgages and customer check guarantees and conducts its commercial transactions in a way not to exceed the customer risk limit. In the absence of these guarantees or in cases where these guarantees are required to be exceeded, transactions are carried out within the framework of internal limits determined by the procedure.

	Receivables		Other Receivables	Bank Deposits	Derivate Instruments
	Trade Receivables				
	Related Party	Third Party	Third Party		
31 December 2025					
Maximum credit risk as of reporting date	709,441	9,182,379	7,133	1,075,483	148,500
Secured portion of the maximum credit risk by guarantees (*)	-	7,920,540	-	-	-
Net book value of financial assets that are neither past due nor impaired	70,372	7,040,334	7,133	1,075,483	148,500
Net Book value of financial assets whose conditions have been renegotiated otherwise would be deemed to be overdue or impaired	-	-	-	-	-
Net book value of financial assets that are past due but not impaired net book value of assets	-	2,142,045	-	-	-
The part under guarantee with collateral etc.	-	880,206	-	-	-
Net book value of the assets impaired	-	-	-	-	-
- Overdue (gross carrying amount)	-	8,376	-	-	-
- Impairment	-	(8,376)	-	-	-

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

b) Financial Risk Management (cont'd)

b.1 Credit risk management (cont'd)

Receivables (cont'd)

	Receivables		Other Receivables	Bank Deposits	Derivate Instruments
	Trade Receivables				
	Related Party	Third Party	Third Party		
31 December 2024					
Maximum credit risk as of reporting date	92,111	11,154,859	24,930	2,875,467	-
Secured portion of the maximum credit risk by guarantees (*)	-	10,370,429	-	-	-
Net book value of financial assets that are neither past due nor impaired	92,111	8,669,803	24,930	2,875,467	-
Net Book value of financial assets whose conditions have been renegotiated otherwise would be deemed to be overdue or impaired	-	-	-	-	-
Net book value of financial assets that are past due but not impaired net book value of assets	-	2,485,059	-	-	-
The part under guarantee with collateral etc.	-	1,700,626	-	-	-
Net book value of the assets impaired	-	-	-	-	-
- Overdue (gross carrying amount)	-	10,964	-	-	-
- Impairment	-	(10,964)	-	-	-

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

b) Financial Risk Management (cont'd)

b.1 Credit risk management (cont'd)

Receivables (cont'd)

Trade receivables

	<u>31 December 2025</u>	<u>31 December 2024</u>
1 - 30 days past due	1,800,996	1,597,831
1 - 3 months past due	270,086	607,466
3 - 12 months past due	70,963	279,762
Total	2,142,045	2,485,059
Portion under guarantee with financial instruments such as collaterals, mortgages etc. (*)	880,206	1,700,626

(*) The mentioned guarantees consist of direct debiting system, bank guarantee and mortgages.

b.2 Liquidity risk management

Liquidity risk

Prudent liquidity risk management consists of providing sufficient cash and securities, enabling funding through adequate credit facilities, and the ability to close short positions. Due to the dynamic nature of the business environment, the Group has sought flexibility in funding by keeping credit lines available.

The following table summarizes the maturity profile of the Group's non-derivative and derivative financial liabilities by contractual repayment dates. Non-derivative financial liabilities are undiscounted and based on the earliest dates on which they are due for settlement. Interest payable on these liabilities is included in the table below. Derivative financial liabilities are based on undiscounted net cash inflows and outflows. Futures instruments are settled on a net basis for futures that are payable on a gross basis and are realized on undiscounted, gross cash inflows and outflows. When receivables or payables are not fixed, the amount disclosed is determined using the interest rate derived from yield curves at the reporting date.

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

b) Financial Risk Management (cont'd)

b.2 Liquidity risk management (cont'd)

Liquidity risk (cont'd)

Contractual maturities

31 December 2025	Book Value	Cash Outflows				
		Total Cash outflows	Less than 3 months	3-12 ay months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities						
Bank loans	122,576,208	128,214,849	18,929,887	26,852,099	61,952,548	20,480,315
Financial lease liabilities	162,449	182,999	18,561	55,333	109,105	-
Other Payables	19,062,189	19,062,189	-	47,727	19,014,462	-
Trade payables	22,181,464	22,271,519	11,807,468	9,033,288	1,430,763	-
Total	163,982,310	169,731,556	30,755,916	35,988,447	82,506,878	20,480,315

31 December 2024	Book Value	Cash Outflows				
		Total Cash outflows	Less than 3 months	3-12 ay months	1-5 years	More than 5 years
Financial Liabilities						
Bank loans	123,581,104	141,147,115	18,842,508	39,692,031	66,019,765	16,592,811
Financial lease liabilities	258,002	280,776	52,142	53,645	174,989	-
Other Payables	7,802,077	7,802,077	-	487,879	7,314,198	-
Trade payables	12,221,245	12,260,419	4,309,483	5,637,825	2,313,110	-
Total	143,862,428	161,490,387	23,204,133	45,871,380	75,822,062	16,592,811

(*) Certain loans of the Group are subject to contractual terms that must be adhered to. In accordance with these terms, as of December 31, 2025, due to the failure to meet performance criteria, these loans, amounting to EUR 77,239,000 (TL 3,891,030) with original maturities in 2027, 2028, and 2029, have been presented as short-term financial liabilities. A letter of waiver regarding the financial performance criteria for these loans was approved by the bank on January 26, 2026 (Note 33).

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

b) Financial Risk Management (continued)

b.3 Market risk management

The Group's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below. In order to control the risks associated with foreign exchange and interest rates, the Group uses various derivative financial instruments, including:

Foreign currency forward contracts used to hedge foreign currency risk arising from foreign currency denominated liabilities

Market risks are also evaluated with sensitivity analyzes and stress scenarios.

There has been no change in the market risk that the Group is exposed to in the current year, or in the management and measurement methods of the risks it is exposed to, compared to the previous year.

b.3.1 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 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025		
	TL Equivalent	(thousand) US Dollar	(thousand) Euro
Trade receivables	6,437,656	104,551	38,709
Monetary financial assets (including cash, bank accounts)	646,845	6,622	7,198
Other	3,579,770	81,298	1,791
Current assets	10,664,271	192,471	47,698
Total assets	10,664,271	192,471	47,698
Trade payables (including other payables)	19,808,512	232,780	194,871
Financial liabilities	36,779,527	60,200	678,800
Current liabilities	56,588,039	292,980	873,671
Trade payables (including other payables)	1,430,749	33,333	-
Financial liabilities	78,964,811	237,250	1,365,346
Other	19,030,683	443,369	-
Non-current liabilities	99,426,243	713,952	1,365,346
Total liabilities	156,014,282	1,006,932	2,239,017
Foreign currency position	(145,350,011)	(814,461)	(2,191,319)
Net foreign currency position of derivative contracts	148,500	-	2,948
Net foreign currency position	(145,201,511)	(814,461)	(2,188,371)

In 2025, imports amounted to US\$646 million (USD 938 million in 2024) and exports amounted to USD 349 million (USD 317 million in 2024), including investments totaling USD 8 million (USD 122 million in 2024).

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

b) Financial Risk Management (cont'd)

b.3 Market risk management (cont'd)

b.3.1 Foreign exchange risk management (cont'd)

	31 December 2024		
	TL Equivalent	(thousand) US Dollar	(thousand) Euro
Trade receivables	6,995,830	90,893	57,937
Monetary financial assets (including cash, bank accounts)	932,918	12,802	7,072
Other	3,894,542	81,013	3,045
Current assets	11,823,290	184,708	68,054
Total assets	11,823,290	184,708	68,054
Trade payables (including other payables)	7,445,355	115,361	43,771
Financial liabilities	50,221,735	437,296	622,597
Other	3,175,379	35,393	31,928
Current liabilities	60,842,469	588,050	698,296
Trade payables (including other payables)	2,313,114	50,000	-
Financial liabilities	68,844,640	219,109	1,218,733
Other	7,311,938	158,054	-
Non-current liabilities	78,469,692	427,163	1,218,733
Total liabilities	139,312,161	1,015,213	1,917,029
Net foreign currency position	(127,488,871)	(830,505)	(1,848,975)

Foreign currency sensitivity

As of 31 December 2025;	Profit / (Loss)	
	Appreciation of <u>foreign currency</u>	Depreciation of <u>foreign currency</u>
20% change in USD against TL:		
USD net asset	(6,991,806)	6,991,806
Part of hedged from the USD risk	-	-
USD net effect	(6,991,806)	6,991,806
20% change in EUR against TL:		
EUR net asset	(22,048,494)	22,048,494
Part of hedged from the EUR risk	12,850	(14,850)
EUR net effect	(22,033,644)	22,033,644
Total	(29,025,450)	29,025,450

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

b) Financial Risk Management (continued)

b.3 Market risk management (cont'd)

b.3.1 Foreign exchange risk management (cont'd)

Foreign currency sensitivity (cont'd)

As of 31 December 2024;	<u>Profit / (Loss)</u>	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
20% change in USD against TL:		
USD net asset	(7,129,537)	7,129,537
Part of hedged from the USD risk	-	-
USD net effect	(7,129,537)	7,129,537
20% change in EUR against TL:		
EUR net asset	(18,628,978)	18,628,978
Part of hedged from the EUR risk	-	-
EUR net effect	(18,628,978)	18,628,978
Total	(25,758,515)	25,758,515

b.3.2) Interest rate and risk management

The Group is exposed to interest rate risk due to the impact of changes in interest rates on interest bearing assets and liabilities. The Group considers its cash assets, which it holds and does not use, as time deposits. Apart from these, their income and cash flows from operations are largely independent of changes in market interest rates.

In order to minimize the interest rate risk, the Group carries out efforts to borrow at the most favorable rates.

Interest Position Table

	31 December 2025	31 December 2024
Fixed interest rate instruments		
<i>Principal</i>	33,764,062	47,406,075
<i>Interest</i>	1,219,186	1,185,058
Fixed financial liabilities total	34,983,248	48,591,133

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

b) Financial Risk Management (continued)

b.3 Market risk management (cont'd)

b.3.2) Interest rate and risk management (cont'd)

	31 December 2025	31 December 2024
Variable rate financial instruments		
<i>Principal</i>	86,574,567	73,816,848
<i>Interest</i>	1,180,842	1,431,125
Variable financial liabilities total	87,755,409	75,247,973

If the interest rate in TL currency was 10% higher/lower at 31 December 2025 and all other variables remained constant, profit before tax and non-controlling interest would have been lower/higher by TL 42,676 (31 December 2024: TL 43,838).

Funding risk

The funding risk of existing and prospective debt requirements is managed by maintaining the availability of sufficient number and quality of creditors.

NOTE 29 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

31 December 2025	Financial assets/liabilities		
	amortized cost	Carrying value	Note
<u>Financial assets</u>			
Cash and cash equivalents	1,075,483	1,075,483	3
Trade receivables	9,182,379	9,182,379	5
Receivables from related parties	709,441	709,441	27
Other financial assets	2,735,281	2,735,281	7-15
<u>Financial liabilities</u>			
Financial borrowings	122,738,657	122,738,657	4
Trade payables	22,181,464	22,181,464	5
Other payables	47,727	47,727	7
Other payables to related parties	19,014,462	19,014,462	27
31 December 2024			
<u>Financial assets</u>			
Cash and cash equivalents	2,875,467	2,875,467	3
Trade receivables from related parties	11,154,859	11,154,859	5
Trade receivables	92,111	92,111	27
Other financial assets	1,391,428	1,391,428	7-15
<u>Financial liabilities</u>			
Financial borrowings	123,839,106	123,839,106	4
Trade payables	12,221,245	12,221,245	5
Other payables	487,879	487,879	7
Other financial liabilities	7,314,198	7,314,198	27

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NOT 30 – Derivative Instruments

The distribution of derivative instruments as at 31 December 2025 and 2024 is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Fair Value Measurement of Derivative Financial Instruments	148,500	-
	148,500	-

As of 31 December 2025, the fair value of SASA Polyester Sanayi A.Ş.'s foreign currency derivatives is estimated to be TL 148,500 as an asset (31 December 2024: none).

Derivative instruments are recognized at their fair value as of the date on which the related derivative contract is entered into and are remeasured at their fair values at each subsequent reporting date. The Group does not have any derivative transactions that meet the criteria for hedge accounting; instead, it has derivative transactions held for trading purposes. Therefore, the fair values of the Group's derivative instruments are recognized in the consolidated statement of profit or loss.

An income amounting to TL 148,500 relating to derivative contracts that matured during the period has been recognized in the statement of profit or loss (31 December 2024: none).

NOT 31 – DISCLOSURES ON NET MONETARY POSITION GAINS/LOSSES

Non-monetary items	1 January- 31 December 2025	1 January- 31 December 2024
Statement of financial position items	23,364,934	25,485,999
Inventories	97,842	67,699
Prepaid Expenses	20,265	150,464
Tangible Fixed Assets	43,665,384	47,918,858
Intangible Assets	408,307	1,583,582
Liabilities from customer contracts	(298)	(2,029)
Deferred tax	16,747,452	21,353,231
Paid-in Capital	(15,827,504)	(18,222,122)
Restricted Reserves	(7,270,706)	(7,367,815)
Share Premiums	(4,254,613)	(7,846,653)
Accumulated losses not to be reclassified to profit or loss		
Other Comprehensive Income / (Expenses)	(498,823)	956,749
Retained Earnings	(9,722,372)	(13,105,965)
Statement of Profit or Loss Items	6,885,028	15,103,678
Revenue	(4,557,546)	(3,444,455)
Cost of Sales (-)	4,428,400	6,626,922
General Administrative Expenses (-)	92,877	120,854
Marketing Expenses (-)	37,599	48,588
Research and Development Expenses (-)	1,627	1,855
Other Operating Income	(420,657)	(650,219)
Other Operating Expenses (-)	1,131,712	7,377,838
Income/Expenses from Investing Activities	2,250	(2,267)
Financing Revenues	(60,080)	(2,157,646)
Finance Expenses (-)	4,214,549	4,558,730
Deferred Tax Income/Expense	2,014,297	2,623,478
Gains / Losses on Net Monetary Position	30,249,962	40,589,677

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NOT 32 - FEES RELATED TO SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

	<u>31 December 2025</u>	<u>31 December 2024</u>
Audit fee for the reporting period	6,100	5,110
Fee for other assurance services	1,050	648
Total audit fees	7,150	5,758

NOT 32 - EVENTS AFTER THE BALANCE SHEET DATE

The issuance of EUR 415 million worth of convertible bonds by Sasa Polyester Sanayi A.Ş., a group company, targeting qualified foreign investors, in accordance with the company's board decision dated September 8, 2025, and the Capital Markets Board approval dated December 4, 2025, was completed as of January 7, 2026.

Due to the Group's failure to meet the performance criteria stipulated in the contractual terms of some of its loans, a letter waiving the financial performance criteria for its loan classified as short-term borrowing was approved by the bank on January 26, 2026.