SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025

(CONVENIENCE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

ORIGINALLY ISSUED IN TURKISH)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025 AND 31 DECEMBER 2024
(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 31 March 2025, unless otherwise stated.)

	Notes	Current Period (Non-Audited) 31 March 2025	Prior Period (Audited) 31 December 2024
ASSETS			
Current Assets		**24,105,960**	**29,050,880**
Cash and Cash Equivalents	3	595,951	2,417,890
Trade Receivables	5	6,320,754	9,457,226
- Trade Receivables from Third Parties	5	5,861,133	9,379,772
- Trade Receivables from Related Parties	27	459,621	77,454
Other Receivables	7	68,829	50,565
- Other Receivables from Third Parties	7	68,829	50,565
Inventories	8	14,311,686	14,515,353
Prepaid Expenses	9	1,220,710	1,460,910
Other Current Assets	15	1,588,030	1,148,936
Non-current Assets		**230,418,003**	**226,638,768**
Other Receivables		81	110
Property, Plant and Equipment	10	169,027,222	162,400,079
Intangible Assets	11	698,334	632,141
Prepaid Expenses	9	3,044,676	3,935,223
Deferred Tax Assets	25	57,647,690	59,671,215
TOTAL ASSETS		**254,523,963**	**255,689,648**
LIABILITIES			
Current Liabilities		**58,645,493**	**54,543,753**
Short Term Borrowings	4	47,442,183	44,376,359
- Bank Loans	*4*	31,121,349	31,515,350
- Short Term Portion of Long-Term Borrowings	*4*	16,268,858	12,781,242
- Lease Liabilities	*4*	51,976	79,767
Trade Payables	5	9,325,559	8,331,441
- Trade Payables to Third Parties	5	9,325,559	8,331,441
Liabilities Related to Employee Benefits	6	341,116	212,845
Other Payables	7	208,416	410,242
- Other Payables to Third Parties	7	208,416	410,242
Deferred Income	7	1,310,083	1,186,417
- Deferred Income from Third Parties	7	625,868	808,575
- Deferred Income from Related Parties	27	684,215	377,842
Short Term Provisions	12	18,136	26.449
- Other Short Term Provisions	*12*	18,136	26.449
Non-Current Liabilities		**65,917,798**	**68,103,505**
Long Term Borrowings	4	56,573,832	59,756,083
- Bank Loans	*4*	56,448,917	59,618,905
- Lease Liabilities	*4*	124,915	137,178
Trade Payables	5	1,891,685	1,945,022
- Trade Payables to Third Parties	5	1,891,685	1,945,022
Other Payables		7,192,467	6,150,281
- Other Payables to Related Parties	*27*	7,192,467	6,150,281
Long Term Provisions	14	259,814	252,119
- Long Term Provisions Related to Employment Benefits	*14*	259,814	252,119
EQUITY		**129,960,672**	**133,042,390**
Paid in Share Capital	16	43,815,615	43,815,615
Differences from Capital Adjustments	16	12,049,658	12,576,936
Repurchased Shares	16	(31,394)	(31,394)
Restricted Reserves Appropriated from Profits	16	19,768,860	20,155,517
Share Premiums	16	15,159,230	15,159,230
Other Accumulated Comprehensive Income / (Expenses) Not To Be Reclassified To Profit Or Loss		6,727,542	6,727,542
- Defined Benefit Plans Remeasurement Losses	16,24	(53,110)	(53,110)
- Revaluation Increase on Property, Plant and Equipment	16,24	6,780,652	6,780,652
Prior Years Profit	16	31,049,972	14,520,222
Net Profit for the Period	16	1,421,189	20,118,722
TOTAL EQUITY AND LIABILITIES		**254,523,963**	**255,689,648**

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

SASA POLYESTER SANAYİ A.Ş. VE AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 31 MARCH 2025 – 31 MARCH 2024
(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 31 March 2025, unless otherwise stated.)

	Notes	Current Period 1 January - 31 March 2025	Prior Period 1 January - 31 March 2024
Revenue	17	9,052,571	14,732,139
Cost of Sales (-)	17	(8,336,301)	(11,086,114)
GROSS PROFIT		**716,270**	**3,646,025**
General Administrative Expenses (-)	18	(207,938)	(218,036)
Marketing Expenses (-)	18	(354,523)	(536,317)
Research and Development Expenses (-)	18	(3,477)	(1,602)
Other Income from Operating Activities	19	1,952,769	7,197,829
Other Expenses from Operating Activities (-)	19	(1,757,938)	(6,856,081)
PROFIT FROM OPERATING ACTIVITIES		**345,163**	**3,231,818**
Income from Investing Activities	21	-	431
Expenses from Investing Activities (-)	21	(68,951)	(7)
OPERATING PROFIT BEFORE FINANCING EXPENSE		**276,212**	**3,232,242**
Finance Income	22	196,820	375,673
Finance Expenses (-)	23	(7,401,702)	(6,792,401)
Monetary Gain	29	4,917,676	11,699,258
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX		**(2,010,994)**	**8,514,772**
Tax Income / (Expense), Continuing Activities		**3,432,183**	**6,298,361**
-Current Period Tax Expense (-)	25	-	-
- Deferred Tax Expense	25	62,041	-
- Deferred Tax Income within Incentive Certificate	25	3,370,142	6,298,361
PROFIT FOR THE PERIOD		**1,421,189**	**14,813,133**
TOTAL COMPREHENSIVE INCOME		**1,421,189**	**14,813,133**
Distribution of Profit for the Period:			
Parent Company Shares		1,421,189	**14,813,133**
Earnings Per Share	26	**0.0324**	**0.3381**
Distribution of Total Comprehensive Income			
Parent Company’s Share		1,421,189	14,813,133
Non-controlling Shares		-	-

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 31 MARCH 2025 AND 2024

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

						Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Retained Earnings		
	Notes	Paid-in Capital	Inflation Difference in Capital	Share Premiums	Share Repurchase	Revaluation Increase on Property, Plant and Equipment	Defined Benefit Plans Remeasurement Losses	Restricted reserves	Prior Years Profits/(Loses)	Net Profit for the Period	Total Equity
1 January 2024	**16**	**5,321,654**	**14,673,967**	**5,480,619**	**(1,975)**	**5,892,954**	**(31,303)**	**1,543,384**	**32,930,878**	**25,124,103**	**90,934,281**
Transfers from Retained Earnings	16		3,045,400	-	-	-	-	1,119,831	33,043,101	(25,124,103)	12,084,229
Total Comprehensive Income		-	-	-	-	887,715	(4,715)	-	(129,461)	14,813,133	15,566,672
Decrease from Share Repurchase Transactions	16	-	-	-	(297)	-	-	-	-	-	(297)
Transactions with Non-controlling Shareholders	16-4	-	-	825,601	-	-	-	-	-	-	825,601
31 March 2024	**16**	**5,321,654**	**17,719,367**	**6,306,220**	**(2,272)**	**6,780,669**	**(36,018)**	**2,663,215**	**65,844,518**	**14,813,133**	**119,410,486**
1 January 2025	**16**	**43,815,615**	**8,167,771**	**15,159,230**	**(31,394)**	**6,780,652**	**(53,110)**	**20,155,517**	**14,520,222**	**20,118,722**	**128,633,225**
Transfers from Retained Earnings	16	-	3,881,887	-	-	-	-	(386,657)	16,623,492	(20,118,722)	-
Total Comprehensive Income		-	-	-	-	-	-	-	(93,742)	1,421,189	1,327,447
31 March 2025	**16**	**43,815,615**	**12,049,658**	**15,159,230**	**(31,394)**	**6,780,652**	**(53,110)**	**19,768,860**	**31,049,972**	**1,421,189**	**129,960,672**

(*) Within the scope of the increase in the Group's issued capital from TL 5,321,654 thousand to TL 5,410,014 thousand, shares with a nominal value of TL 88,360 thousand were sold to the Group's controlling shareholder, Erdemoğlu Holding A.Ş., on Borsa Istanbul on 24 May 2024, through the allocated sale method. Subsequently, in accordance with the decision to increase the Group's issued capital from TL 5,410,014 to TL 43,280,113 by a total of TL 37,870,099—entirely sourced from internal resources—and to grant 700% bonus shares for each share held by shareholders, the application for the amendment of the articles of association was approved by the Capital Markets Board. The amendment was registered by the Adana Trade Registry Office and announced in the Turkish Trade Registry Gazette dated 23 August 2024, and numbered 11150.

The convertible bonds with a nominal value of TL 3,547,704 thousand, issued and sold by the Group company Sasa Polyester Sanayi Anonim Şirketi on 22 January 2024, were fully redeemed by converting into shares at a conversion price of TL 6.625. Following the conversion, the application submitted to the Capital Markets Board to amend the articles of association in line with the Board of Directors' resolution to increase the Group's issued capital from TL 43,280,113 to TL 43,815,615 was approved on 20 December 2024. The amendment was registered by the Adana Trade Registry Office on 23 December 2024, and published in the Turkish Trade Registry Gazette dated 23 December 2024, and numbered 1845.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 31 MARCH 2025 AND 2024

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

	Notes	Current Period 1 January - 31 March 2025	Prior Period 1 January - 31 March 2024
Cash Flows from Operating Activities:			
Profit for the Period Before Tax from Continuing Operations		**(2,010,994)**	**8,514,772**
Adjustments Related to Reconciliation of Net Profit /(Loss) for the Period		**4,197,457**	**(3,769,096)**
			-
Adjustments for Depreciation and Amortization	10.11	1,212,525	121,846
Adjustments Related to Interest Income/Expense		1,090,892	1,621,573
Adjustments Related to Interest Expenses	*4,23*	*1,172,370*	*1,643,685*
Adjustments Related to Interest Income	*22*	*(81,478)*	*(22,112)*
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		68,951	-
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment	*21*	*68,951*	-
Adjustments Related to Provisions		43,663	104,930
Adjustments Related to Provision for Employee Benefits	*14*	43,663	*104,930*
Adjustments Related to Provision for Litigation	12	(5,894)	1,793
Adjustments Related to Impairment / (Reversal)			
Adjustments for Unrealized Foreign Exchange Differences		6,154,118	217,653
Monetary Gain		(4,366,798)	(5,831,448)
Adjustments for Foreign Exchange Rate Differences on Cash and Cash Equivalents		-	(5,443)
Changes in Working Capital:		**4,937,181**	**5,810,382**
Adjustments Related to Trade Receivables		3,136,472	2,794,942
Increase in Trade Receivables from Third Parties		*3,518,639*	*2,794,942*
Decrease in Trade Receivables from Related Parties		*(382,167)*	-
Adjustments for Increase in Other Receivables Related to Other Receivables		(18,264)	22,928
Increase in Other Receivables		*(18,264)*	*27,928*
Adjustments for Increase in Inventories		203,667	1,796,971
Adjustments for (Increase) / Decrease in Prepaid Expenses		1,130,747	(1,089,750)
Adjustments for (Decrease) / Increase in Other Current Assets		(439,094)	(633,141)
Adjustments Related to Increase in Trade Payables to Third Parties		994,118	(667,633)
Adjustments Related to (Decrease) / Increase in Other Payables		(201,826)	-
Adjustments Related to (Increase) / Decrease in Deferred Income		123,666	3,516,876
Adjustments Related to Increase in Employee Benefit Payables		7,695	69,189
Cash Flows from Operating Activities:		**7,123,644**	**10,556,058**
Payments for Provision Related to Employee Benefits	14	(12,195)	(23,880)
Tax Payments	25	-	-
Net Cash (Used in) / Obtained from Operating Activities		**7,111,449**	**10,532,178**
Cash Flows Used in Investing Activities :			
Cash Outflows from Acquisition of Tangible and Intangible Assets	10.11	(8,057,905)	(11,037,421)
Cash Outflows from Acquisition of Tangible and Intangible Assets	10.11	*(8,057,905)*	*(11,037,421)*
Cash Inflows from Sale of Tangible and Intangible Assets	10.11.21	10	*90*
Cash Inflows from Sale of Tangible Assets	*10.11.21*	*10*	*90*
Interest Received	22	81,478	22,112
Net Cash Used in Investing Activities		**(7,976,417)**	**(11,015,219)**
Cash Flow from Financing Activities:			
Cash Inflows from Borrowings	4	12,612,625	17,171,335
Cash Inflows from Loans	*4*	*12,612,625*	*17,171,335*
Cash Outflows Related to Debt Payments	4	(12,773,975)	(13,631,660)
Cash Outflows Related to Loan Repayments	*4*	*(12,759,960)*	(13,571,499)
Cash Outflows Related to Repayment of Finance Lease Liabilities	*4*	*(14,015)*	*(60,161)*
Interest Paid		(1,616,741)	(1,759,000)
Net change related to increase in other payables to related parties	27	1,042,186	453,770
Cash Outflows Related to the Acquisition of Own Shares and Other Equity Instruments		-	-
Other Cash (Outflows) / Inflows		-	-
Net Cash Used in / Generated from Financing Activities		**(735,905)**	**2,234,445**
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,600,873)	1,751,405
EFFECT OF FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		-	5,443
NET EFFECT OF MONETARY GAIN ON CASH AND CASH EQUIVALENTS		(221,066)	(1,094,474)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	2,417,890	8,360,452
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	**595,951**	**9,022,826**
			-

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

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP

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

The address of the registered office is:

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

As of 31 March 2025, number of employees of the Company is 3,775 (31 December 2024: 3,804).

Subsidiaries

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

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

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

Approval of Consolidated Financial Statements

Board of Directors has approved the consolidated financial statements and delegated authority for publishing it on 12 May 2025. 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 provisions 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. Pursuant to Article 5 of the Communiqué, the financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS"), which were endorsed by the CMB and enacted by the Public Oversight Accounting and Auditing Standards Authority ("POA"), together with their annexes and interpretations.

In addition, the financial statements have been presented in accordance with the formats of "TFRS Taxonomy Announcement" published by the POA on 4 October 2022, and the Financial Statement Formats and User Guide published by the CMB.

The financial statements are prepared on the historical cost basis, except for the revaluation of land. In determining historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

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

2.1 Basis of Presentation (cont'd)

Currency Used

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

Going Concern

The consolidated financial statements are prepared on the going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities. As at 31 March 2025, the Group's current liabilities exceed its current assets by TL 34,539,533 in the consolidated statement of financial position. The Group management foresees the continuity of operational profitability. The management has assessed that this amount in the light of current conditions and expected forecasts and have concluded that this is not indicative of a material uncertainty which would cast significant doubt on the Group's ability to continue as a going concern. This result was achieved through the Group management's negotiations with banks, the Group's expected EBITDA performance and cash generation in 2025 compared to prior periods, and cash flow projections based on anticipated production and sales volumes, as well as the planned implementation of new investments.

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 13,572,670 as of April and May 2025 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.

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

Basis of Consolidation

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

	31 March 2025	31 December 2024
Sasa Dış Ticaret A.Ş.	100%	100%
Sasa Uluslararası Finansal Yatırım A.Ş.	100%	100%

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

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

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

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

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

Financial Reporting in Hyperinflationary Economies

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

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

As at the reporting date, entities operating in Turkey 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.

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies (cont'd)

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

In this framework, while preparing the consolidated financial statements dated 31 March 2025, inflation adjustment has been made in accordance with TAS 29.

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.03.2025	2,954.69	1.00000	250%
31.12.2024	2,684.55	1.10063	291%
31.03.2024	2,139.47	1.38104	309%

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

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

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

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 restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

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

Restatement of the Statement of Profit or Loss

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

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

Depreciation and amortization expenses are restated using the restated balances of property, plant and equipment, 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 converted 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.

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

2.2 Offsetting

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

2.3 New and Amended Turkish Financial Reporting Standards

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

a) <u>The new standards, amendments and interpretations effective from 1 January 2025</u>

- Amendments to TAS 21- Lack of exchangeability

These standards, amendments and interpretations had no impact on the Group's consolidated financial position and performance.

b) <u>New Standards issued but not yet effective and not early adopted:</u>

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements and have not been early adopted by the Group 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 by an Investor in an Associate or Joint Venture

These standards, amendments and interpretations had no impact on the Group's consolidated financial position and performance.

- TFRS 17 - New Insurance Contracts Standard

It has no impact on the Group's consolidated financial statements.

c) <u>The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA):</u>

The amendments to TFRS 9 and TFRS 7 specified below, as well as TFRS 18 and TFRS 19 Standards, have been published by the IASB but have not yet been adapted/published to TFRS by the POA. Therefore, they do not form part of TFRS. The Group will make the necessary changes in the consolidated financial statements and footnotes after this Standard and amendments enter into force in TFRS.

- Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments
- Annual Improvements to TFRS Accounting Standards – Volume 11

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

c) 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 TFRS 9 and TFRS 7 - Contracts for Electricity Produced from Natural Resources
- TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

The impacts of these new standards, amendments, and interpretations on the Group's consolidated financial position and performance are currently being assessed.

- IFRS 19 – New Standard for Disclosures of Non-Publicly Accountable Subsidiaries

TFRS 19 has no impact on the Group's financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash	2,782	184
Cash at Banks	593,169	2,417,706
-Demand Deposit	593,169	1,572,422
-Time Deposit	10,000	845,284
	595,951	**2,417,890**

As of 31 March 2025, the details of the Group's time deposits are as follows. (31 December 2024: TL 845,284, maturity date 10 January 2025, interest rate 48%)

Currency	Interest Rate (%)	Maturity	31 March 2025
TL	42.50	2 April 2025	10,000

As of 31 March 2025, the Group does not have any blocked deposits with a maturity longer than 3 months. (31 December 2024: None.)

NOTE 4 – FINANCIAL INSTRUMENTS

Financial Borrowings

Short-Term Financial Borrowings	31 March 2025	31 December 2024
Short-term bank loans	31,121,349	31,515,350
Short-term portions of long-term borrowings	16,268,858	12,781,242
Lease liabilities	51,976	79,767
	47,442,183	**44,376,359**

Long-Term Financial Borrowings	31 March 2025	31 December 2024
Long-term bank loans	56,448,917	59,618,905
Lease liabilities	124,915	137,178
	56,573,832	**59,756,083**
	104,016,015	**104,132,442**

a) Bank loans

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

Principal	**31 March 2025**			**31 December 2024**		
Original Currency	**Weighted average effective interest rate (%)**	**Currency amount (*)**	**TL**	**Weighted average effective interest rate (%)**	**Currency amount (*)**	**TL**
TL	21.79	-	3,504,443	22.72	-	3,858,284
US Dollar	8.59	516,921	19,557,022	8.49	636,612	24,764,506
Euro	5.58	1,919,759	78,278,734	5.93	1,804,504	73,092,941
			101,340,199			**101,715,731**
Interest accrues						
TL	-	-	141,071	-	-	155,110
US Dollar	-	19,793	801,479	-	19,793	769,944
Euro	-	31,470	1,556,375	-	31,470	1,274,711
			103,839,124			**103,915,496**

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

NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

a) Bank loans (cont'd)

The repayment schedule of the bank loans as follows:

	31 March 2025	31 December 2024
Within 1 year	47,390,207	44,296,592
Within 1–2 years	21,909,249	23,235,655
Within 2–3 years	9,358,278	9,290,344
Within 3–4 years	7,843,696	7,908,495
Within 4–5 years	6,506,433	6,525,696
5 years and longer	10,831,261	12,658,714
	103,839,124	**103,915,496**

b) Lease liabilities

Distribution of lease liabilities	31 March 2025	31 December 2024
Short-term	51,976	79,767
Long-term	124,915	137,178
	176,891	**216,945**

Maturity distribution:	31 March 2025	31 December 2024
Within 1 year	51,976	79,767
Within 1–2 years	54,086	53,176
Within 2–3 years	56,369	55,420
Within 3–4 years	14,460	28,582
	176,891	**216,945**

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.

NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

c) Reconciliation of the liabilities arising from financial activities

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

	31 March 2025	31 December 2024
Opening balance	**104,132,442**	**103,822,007**
Interest expense	1.172,370	7,181,391
Interest paid	(1,616,741)	(6,050,812)
Exchange rate difference	6,154,118	15,596,690
Payments for lease liabilities	(14,015)	(200,973)
New loans received	12,612,625	71,708,665
Repayments of loans	(12,759,960)	(50,861,739)
Share conversions of issued debt instruments	-	(3,904,709)
Commission expenses	72,246	456,536
Paid commission	(72,246)	(456,536)
Monetary gain	(5,664,824)	(33,158,077)
Closing balance	**104,016,015**	**104,132,442**

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	31 March 2025	31 December 2024
Trade receivables (*)	2,922,789	5,776,059
Checks received (**)	2,946,720	3,612,932
Provision for doubtful receivables	(8,376)	(9,219)
	5,861,133	**9,379,772**
Receivables from related parties (Note 27)	459,621	77,454
	6,320,754	**9,457,226**

(*) As of 31 March 2025, trade receivables are discounted by using monthly 4.17% for TL, 0.75% for US Dollar, 0.67% 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 1,821,490 with maturities of less than three months (31 December 2024: TL 2,288,780).

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	31 March 2025	31 December 2024
Up to 1 month	913,113	1,343,564
1 - 3 months	502,226	510,798
More than 3 months	14,331	235,243
	1,429,670	**2,089,605**

As of 31 March 2025 and 31 December 2024, due to existence of direct debiting system, bank guarantee, mortgage and customer cheques, the Group has not allocated any provision in the consolidated financial statements relation to trade receivables that were past due but not impaired.

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

Overdue period	31 March 2025	31 December 2024
Over 6 months	8,376	9,219
	8,376	9,219

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.

	1 January – 31 March 2025	1 January – 31 March 2024
Balances as of 1 January	**(9,218)**	**(9,786)**
Provision for the period (Note 19)	-	-
Provision closed during the period (Note 19)	-	-
Monetary gain	842	-
Balances as of 31 March	**(8,376)**	**(9,786)**

Trade Payables (Short-term)

	31 March 2025	31 December 2024
Trade payables (*)	9,325,559	8,331,441
	9,325,559	**8,331,441**

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

Trade Payables (Long-term)

	31 March 2025	31 December 2024
Trade payables (*)	1,891,685	1,945,022
	1,891,685	**1,945,022**

(*) As of 31 March 2025, trade payables are discounted by using monthly 4.17% for TL, 0.75% for USD, 0.67% for EUR (31 December 2024: 4.46% for TL, 0.69% for USD, 0.49% for EUR). As of 31 March 2025, average turnover for trade receivables and trade payables are 60 days and 149 days, respectively (31 December 2024: 48 days and 138 days).

NOTE 6 – PAYABLES RELATED TO EMPLOYEE BENEFITS

	31 March 2025	31 December 2024
Social security premiums payable	219,294	124,070
Due to personnel	121,822	88,775
	341,116	**212,845**

NOTE 7 – OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME

Other Current Receivables

	31 March 2025	31 December 2024
Deposits and guarantees given	402	441
Other receivables (*)	68,427	50,124
	68,829	**50,565**

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

Other Payables

	31 March 2025	31 December 2024
Taxes, duties and fees payable	208,416	410,242
	208,416	**410,242**

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

Deferred Income

	31 March 2025	31 December 2024
Advances received for orders	625,868	808,575
Advances received for orders from related parties (Note 27)	684,215	377,842
	1,310,083	**1,186,417**

NOTE 8 – INVENTORIES

	31 March 2025	31 December 2024
Raw materials	5,913,673	7,766,402
Finished goods	1,994,787	3,736,643
Goods in transit (*)	5,862,466	2,434,686
Spare parts	303,705	305,479
Semi – finished goods	71,217	133,981
Other inventories	165,838	138,162
	14,311,686	**14,515,353**

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

NOTE 9 - PREPAID EXPENSES

Prepaid Expenses (Short-Term)

	31 March 2025	31 December 2024
Prepaid insurance expenses	782,786	902,511
Other prepaid expenses	437,924	558,399
	1,220,710	**1,460,910**

Prepaid Expenses (Long-Term)

	31 March 2025	31 December 2024
Given advances for fixed assets (*)	3,044,676	3,935,223
	3,044,676	**3,935,223**

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and related accumulated depreciation for the accounting periods ended 31 March 2025 and 2024 is as follows:

	1 January 2025	Additions	Transfers (**)	Disposals	31 March 2025
Cost					
Land	20,394,183	31,010	-	-	20,425,193
Land improvements	318,504	-	-	(676)	317,828
Buildings	6,026,594	3,650	-	(17,512)	6,012,732
Machinery, plant and equipment	39,869,045	22,435	540,902	(192,675)	40,239,707
Vehicles	186,013	54	-	-	186,067
Furniture and fixtures	513,689	9,876	-	(4,685)	518,880
Construction in progress (*)	113,568,713	7,975,666	(540,902)	-	121,003,477
	180,876,742	**8,042,691**	**-**	**(215,548)**	**188,703,885**
Accumulated depreciation					
Land improvements	217,690	4,452	-	(3,027)	219,115
Buildings	2,262,067	141,357	-	(15,902)	2,387,522
Machinery, plant and equipment	15,557,537	1,162,634	-	(125,663)	16,594,508
Vehicles	143,670	11,447	-	-	155,117
Furniture and fixtures	295,700	26,697	-	(1,995)	320,402
	18,476,663	**1,346,587**	**-**	**(146,587)**	**19,676,663**
Net book value	**162,400,079**				**169,027,222**

(*) During the period ended 31 March 2025, there is no capitalized borrowing costs for construction in progress. (31 December 2024: None) (Note 4). As of 31 March 2025, the Group has mortgage on property, plant and equipment amounting to TL 74,620,958 (31 December 2024: TL 67,433,160) (Note 13).

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

	1 January 2024	Additions	Transfers	Disposals	31 March 2024
Cost					
Land	20,131,071	21,598	-	-	20,152,669
Land improvements	289,222	-	-	-	289,222
Buildings	5,995,186	3,024	-	-	5,998,210
Machinery, plant and equipment	39,890,592	73,924	-	(113)	39,964,403
Vehicles	181,832	-	-	-	181,832
Furniture and fixtures	495,673	6,994	-	(12)	502,655
Construction in progress (*)	82,216,740	13,597,497	-	-	95,814,237
	149,200,316	**13,703,037**	**-**	**(125)**	**162,903,228**
Accumulated depreciation					
Land improvements	187,389	291	-	-	187,680
Buildings	1,772,156	10,105	-	-	1,782,261
Machinery, plant and equipment	11,977,018	98,984	-	(32)	12,075,970
Vehicles	78,389	1,914	-	-	80,303
Furniture and fixtures	162,293	4,676	-	(4)	166,965
	14,177,245	**115,970**	**-**	**(36)**	**14,293,179**
Net book value	**135,023,071**				**148,610,049**

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

Fair value measurement of the Group's freehold lands

The freehold lands 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 İdeal Gayrimenkul Değerleme ve Danışmanlık A.Ş., a valuation company independent from the Group, as of 29 September 2023. İdeal 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 lands and information about the fair value hierarchy as of 31 March 2025 are as follows:

There were no transfers between levels during the period.

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

	1 January – 31 March 2025	1 January – 31 March 2024
Opening balance	**20,394,183**	**20,131,071**
Additions	31,010	21,598
Fair value increase	-	-
-Other comprehensive income accounting	-	-
Closing balance	**20,425,193**	**20,152,669**

If the lands and plots were presented according to the cost method, the amounts would be as follows:

	31 March 2025	31 March 2024
Lands	4,743,890	4,131,747
	4,743,890	**4,131,747**

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

As of 31 March 2025 and 2024, total depreciation and amortization expense (property, plant and equipment and intangible assets) and the related income statement accounts are as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Production cost (Note: 17)	463,032	115,177
General administrative expenses (Note: 18)	13,993	4,697
Marketing, selling and distribution expenses (Note: 18)	7,644	1,852
Research expenses (Note: 18)	2,285	120
	486,954	**121,846**

NOTE 11 – INTANGIBLE ASSETS

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

	1 January 2025	Additions	Transfers (*)	31 March 2025
Cost				
Software and development costs	1,042,196	78,718	-	1,120,914
	1,042,196	**78,718**	**-**	**1,120,914**
Accumulated amortization				
Software and development costs	410,055	12,525	-	422,580
	410,055	**12,525**	**-**	**422,580**
Net book value	**632,141**			**698,334**

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

	1 January 2024	Additions	Transfers	31 March 2024
Cost				
Software and development costs	910,001	4,422	-	914,423
	910,001	4,422	**-**	**914,423**
Accumulated amortization				
Software and development costs	341,016	5,876	-	346,892
	341,016	**5,876**	**-**	**346,892**
Net book value	**568,985**			**567,531**

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision for Litigation

	31 March 2025	31 December 2024
Provision for litigation (*)	18,136	26,449
	18,136	**26,449**

(*) 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.

As of 31 March 2025 and 2024, the movement tables of the provision for litigation are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Balances as of 1 January	**26,448**	**10,191**
Provision for the period (Note 18)	260	1,922
Provision written-off within the period	(6,154)	(130)
Monetary gain	(2,418)	(1,335)
Balances at 31 March	**18,136**	**10,648**

NOTE 13 – COMMITMENTS

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

Commitments based on export incentive certificates

	31 March 2025	31 December 2024
Total amount of export commitment of certificates	95,068,012	97,748,519
Total amount of export commitment of documents which are presently fulfilled but closing transactions are not concluded yet	13,137,433	14,674,865
Total export commitment of open documents registered in the document	81,930,579	83,073,654
Open export incentives	51,604,464	55,683,545

	31 March 2025	31 December 2024
Open Letter of Credits	4,165,543	2,576,885

NOTE 13 – COMMITMENTS (cont'd)

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

	31 March 2025				31 December 2024			
	TL Equivalent	TL	US Dollar	Euro	TL Equivalent	TL	US Dollar	Euro
A. Total CPMs given for Company's Own Legal Entity (*)	84,087,886	4,263,795	65,663	1,896,732	83,478,200	4,571,941	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	**84,087,886**	**4,263,795**	**65,663**	**1,896,732**	**83,478,200**	**4,571,941**	**71,468**	**1,879,387**

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

Collaterals mainly consist of guarantees given to suppliers in relation to bank loans used for investments. In addition, there is a pledge of machinery amounting to TL 74,620,958 (31 December 2024: TL 67,433,160).

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

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

	31 March 2025	31 December 2024
Letters of guarantee received	2,376,798	2,667,266
	2,376,798	**2,667,266**

NOTE 14 - PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for long-term employee benefits

	31 March 2025	31 December 2024
Provision for employment termination benefits	212,207	219,118
Accumulated provision for unused vacation	47,607	33,001
	259,814	**252,119**

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 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Balances as of 1 January	33,001	40,869
Provision for the period	17,624	20,160
Provision released during the period	-	(699)
Monetary gain / loss	(3,018)	(5,350)
Balances at 31 March	**47,607**	**54,980**

Provision for Employment Termination Benefits

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

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

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

	31 March 2025	31 March 2024
Discount rate (%)	3,40	3,40
Retention rate to estimate probability of retirement (%)	95	98

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

Provision for Employment Termination Benefits (cont'd)

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 46.66 (1 January 2024: TL 35.06), which is expected to be effective from 1 January 2025, has been taken into consideration in calculating the provision for employment termination benefits of the Group:

	1 January – 31 March 2025	1 January – 31 March 2024
Balances at 1 January	**219,118**	**198,676**
Provision for the period	26,039	85,468
Payment within the period	(12,195)	(23,880)
Monetary gain / loss	(20,755)	(26,009)
Balances at 31 March	**212,207**	**234,255**

NOTE 15 - OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 March 2025	31 December 2024
Deferred VAT	979,632	918,520
VAT return receivables from export and domestic market sales (*)	608,398	230,416
	1,588,030	**1,148,936**

(*) As of 31 March 2025, the Group has completed the application process for TL 979,632 of the VAT receivable amounting to TL 401,748 and as of the report publication date, TL 250,994 of the refund application has been collected (31 December 2024: TL 231,180).

NOTE 16 – EQUITY

Sasa Polyester Sanayi A.Ş fully paid and issued capital each Kr 1 nominal value of 4,381,561,536,080 shares (31 December 2024: 4,381,561,536,080). The shareholders and shareholding structure of the Group as of 31 March 2025 and 31 December 2024 are as follows.

	31 March 2025		31 December 2024	
	Share amount	Share percentage	Share amount	Share percentage
Erdemoğlu Holding A.Ş.	24,792,253	56.58	24,792,253	56,58
Erdemoğlu Global Gayrimenkul A.Ş.	8,817,529	20.12	8,817,529	20,12
Other	10,205,833	23.30	10,205,833	23,30
Share Capital	**43,815,615**	**100**	**43,815,615**	**100**
Adjustments to share capital	12,049,658		12,576,936	
Total capital	**55,865,273**		**56,392,551**	

Shareholders' equity items of Group as of 31 March 2025 and 31 December 2024 prepared in accordance with the Communiqué No: XI-29 are as follows:

	31 March 2025	31 December 2024
Paid-in Capital	43,815,615	43,815,615
Adjustments to Capital (*)	12,049,658	12,576,936
Repurchased Shares (**)	(31,394)	(31,394)
Restricted Reserves Appropriated from Profit	19,768,860	20,155,517
Share Premiums	15,159,230	15,159,230
Prior Years' Profits	31,049,972	14,520,222
Defined Benefit Plans Remeasurement Losses	(53,110)	(53,110)
Gain on Revaluation of Property, Plant and Equipment	6,780,652	6,780,652
Net Profit for the Period	1,421,189	20,118,722
Total equity	**129,960,672**	**133,042,390**

(*) Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital restated for the effects of inflation. Adjustment to share capital is not available for any other use except to be added to share capital.
(**) Represents publicly traded shares that are repurchased by the Company.

Restricted Reserves Appropriated from Profit

The restricted reserves appropriated from profit consist of first and second reserves, allocated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Group's historical (non-inflation-adjusted) paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions after the deduction of the first legal reserves and statutory dividends.

NOTE 16 – EQUITY (cont'd)

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

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

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

- If the difference is arising due to the inflation adjustment of "Paid-in capital" and not yet been transferred to capital should be classified under the "Inflation adjustment to share capital";

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

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

Dividend Distribution

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

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

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

Resources that can be Subject to Profit Distribution:

As of the reporting date, the Group has no profit for the period in its legal records that can be subject to profit distribution.

NOTE 16 – EQUITY (cont'd)

Dividend Distribution (con'd)

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.

NOTE 17 - REVENUE AND COST OF SALES

The Group fulfills its performance obligations at a certain time by transferring products. The amount that the Group will be entitled to recognize in the future from the remaining performance obligations is TL 1,310,083 (31 December 2024: TL 1,186,416) (Note 7). The Group expects to record this revenue as revenue in its financial statements within one year.

Revenue

	1 January- 31 March 2025	1 January- 31 March 2024
Polyester Chips (SPC)	3,294,209	5,012,883
Domestic	1,755,379	3,321,206
Foreign	1,538,830	1,691,677
Polyester Fiber	2,524,682	4,472,432
Domestic	1,551,997	3,065,181
Foreign	972,685	1,407,251
Polyester Yarn(Filament)	2,203,595	2,954,360
Domestic	2,184,150	2,930,639
Foreign	19,445	23,721
Poy (Filament)	1,006,838	1,960,758
Domestic	989,644	1,953,601
Foreign	17,194	7,157
Other	23,247	331,706
Domestic	20,878	17,322
Foreign	2,369	314,384
Revenue	**9,052,571**	**14,732,139**

Cost of Sales

	1 January- 31 March 2025	1 January- 31 March 2024
Raw materials expense	5,152,318	7,759,005
Energy expenses	410,966	544,714
Labour expenses	532,089	662,283
Depreciation and amortization expenses (Note 10)	331,657	104,492
Spare parts and maintenance expenses	86,515	132,145
Insurance expenses	97,073	100,147
Usage of semi-finished goods	50,513	25,005
Other expenses	97,137	180,898
Production Cost for the Period	**6,758,268**	**9,508,689**
Change in finished good inventory during the period	1,216,250	1,368,992
Cost of waste goods sold	23,187	20,547
Other idle period expense	207,221	177,200
Depreciation and amortization for the idle period (Note 10)	131,375	10,686
Cost of Goods Sold During the Period	**8,336,301**	**11,086,114**

NOTE 18 - MARKETING, GENERAL ADMINISTRATIVE AND RESEARCH & DEVELOPMENT EXPENSES

General Administrative Expenses

	1 January- 31 March 2025	1 January- 31 March 2024
Personnel expenses	92,970	96,725
Consultancy expenses	20,668	35,846
Insurance expenses	19,586	28,532
Severance and notice pay	17,607	8,427
Supplies, repair and maintenance expenses	16,090	13,468
Depreciation and amortization expenses (Note 10)	13,993	4,697
Assisted services expenses	4,987	5,571
Energy expenses	518	1,087
Litigation provision (Note 12)	260	1,922
Provisions released (Note 5-13)	-	(130)
Other expenses	21,259	21,891
	207,938	**218,036**

Marketing Expenses

	1 January- 31 March 2025	1 January- 31 March 2024
Export and freight expenses	255,034	443,386
Personnel expenses	40,223	40,922
Taxes and duties expenses	16,727	4,622
Insurance expenses	13,409	15,713
Depreciation expense and amortization (Note 10)	7,644	1,852
Other expenses	21,486	29,822
	354,523	**536,317**

Research and Development Expenses

	1 January- 31 March 2025	1 January- 31 March 2024
Depreciation and amortization expenses (Note 10)	2,285	120
Labour and personnel expense	173	878
Other expenses	1,019	604
	3,477	**1,602**

NOTE 19 - OTHER INCOME / EXPENSE FROM OPERATING ACTIVITIES

Other Operating Income

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange gains on trade receivables/payables	1,777,703	6,578,902
Miscellaneous sales income	109,507	30,919
Profit from insurance events	29,906	718
Income from sale of raw materials	7,157	4,055
Other income (*)	28,496	583,235
	1,952,769	**7,197,829**

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

Other Operating Expenses

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange expense from trade receivables/payables	1,660,767	6,266,307
Taxes, fees and penalties	29,159	14,049
Cost of miscellaneous sales	14,474	11,236
Cost from sale of raw materials	7,049	-
Other expenses	46,489	564,489
	1,757,938	**6,856,081**

NOTE 20 – EXPENSES BY NATURE

	1 January-31 March 2025	1 January-31 March 2024
Direct raw materials expense	5,152,318	7,759,005
Usage of finished goods in the period	1,216,250	1,368,992
Labour and personnel expenses	665,455	800,808
Depreciation and amortization expenses (Note 10)	486,954	121,846
Energy expenses	411,484	545,801
Export and freight costs	255,034	443,386
Other idle period expense	207,221	177,200
Insurance expenses	130,068	144,392
Spare parts and maintenance expenses	86,515	132,145
Usage of semi-finished goods	50,513	25,005
Cost of waste goods sold	23,187	20,547
Consultancy expenses	20,668	35,846
Severance and notice pay	17,607	8,427
Maintenance and repair expense	16,090	13,468
Provision for litigation (Note 12)	260	1,922
Other expenses	140,901	233,086
	8,902,239	**11,842,069**

NOTE 21 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

	1 January-31 March 2025	1 January-31 March 2024
Profit (Loss)from sales of property, plant and equipment (*)	(68,951)	424
	(68,951)	**424**

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

NOTE 22 - FINANCE INCOME

	1 January-31 March 2025	1 January-31 March 2024
Foreign exchange income	115,342	353,561
Interest income	81,478	22,112
	196,820	375,673

NOTE 23 - FINANCE EXPENSES

	1 January-31 March 2024	1 January-31 March 2023
Foreign exchange expenses	6,154,118	5,080,848
Interest expenses	1,175,338	1,465,093
Commission expenses and other bank expenses	72,246	246,460
	7,401,702	**6,792,401**

NOTE 24 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

	31 March 2025	31 March 2024
Property, plant and equipment revaluation fund	6,780,652	6,780,669
Defined benefit plans remeasurement gain	(53,110)	(36,018)
	6,727,542	**6,744,651**

Property, plant and equipment revaluation fund

	1 January-31 March 2025	1 January-31 March 2024
Balances at the beginning of the period	6,780,652	6,780,669
Increase in value arising from revaluation of property, plant and equipment (Note 10)	-	-
Deferred tax liability arising from revaluation (Note 25)	-	-
Balances at the end of the period	**6,780,652**	**6,780,669**

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 March 2025	1 January-31 March 2024
Balances at the beginning of the period	53,110	(36,018)
Increase within the period (Note 14)	-	-
Effect of deferred tax (Note 25)	-	-
Balances at the end of the period	**53,110**	**(36,018)**

NOTE 25 - TAX ASSETS AND LIABILITIES

Deferred Taxes

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

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as of 31 March 2025 and 31 December 2024 using the enacted tax rates are as follows:

	Cumulative temporary difference		**Deferred tax asset /(liability)**	
	31 March 2025	**31 December 2024**	**31 March 2025**	**31 December 2024**
Net difference between recorded value of property, plant and equipment and intangible assets and tax value	10,669,675	12,272,383	2,667,419	3,067,871
Property, plant and equipment revaluation difference	(9,041,773)	(9,041,773)	(2,260,217)	(2,260,217)
Investment incentives deduction to be used (*)	55,859,912	64,147,747	55,859,912	58,650,965
Deductible accumulated financial losses (**)	4,490,375	-	1,122,594	-
Provision for employment termination benefits	212,207	219,118	53,052	54,779
Valuation differences of inventories	474,096	456,307	118,524	114,077
Adjustment for advances given and received, net	(17,197)	(157,003)	(4,299)	(39,251)
Adjustment of periodicity of sales	63,703	34,112	15,926	8,528
Provision for unused vacation	47,607	52,398	11,902	8,250
Provision for litigation	18,136	26,448	4,534	6,613
Provision for doubtful receivables	8,376	9,219	2,094	2,305
Provision for export expense	21,033	29,518	5,258	7,380
Adjustments for foreign currency exchange difference	208,399	204,547	50,991	49,915
Deferred tax assets	-	-	59,912,206	61,970,683
Deferred tax liabilities	-	-	(2,264,516)	(2,299,468)
Deferred tax asset, net			**57,647,690**	**59,671,215**

(*) 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 entity included in the scope of consolidation. As of 31 March 2025, a deferred tax asset amounting to TL 1,122,594 has been recognized in relation to deductible financial losses to be utilized within the next 5 years.

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

Deferred Taxes (cont'd)

Company related table of deferred tax is as follows:

	31 March 2025	31 March 2024
Sasa Polyester San. A.Ş.	57,627,576	64,250,958
Sasa Dış Ticaret A.Ş.	20,114	15,356
	57,647,690	**64,266,314**

Movement table of deferred tax is as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Balances at 1 January	**58,650,965**	**58,414,923**
Deferred tax expense for the period	62,041	-
Deferred tax income from incentive certificate	3,370,142	6,298,361
Monetary gain	(4,435,458)	(446,970)
Balances at 31 March	**57,647,690**	**64,266,314**

Reconciliation of tax provision

	1 January – 31 March 2025	1 January – 31 March 2024
Profit / (loss) before tax from operating activities	(2,010,994)	8,514,772
Income tax rate: 25% (2023: 25%)	502,749	(2,128,693)
Tax effects:		
-Non-deductible expenses	(87,547)	(19,558)
-Effects of reduced corporate tax application	-	6,298,361
-Other adjustments and monetary gain / (loss)	3,016,981	2,148,251
Tax provision income in the income statement	**3,432,183**	**6,298,361**

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

Corporate Tax

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

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

The effective tax rate in 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, exemptions for investment incentives) 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 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 and paid based on earnings generated for each quarter, the amounts thus calculated and paid are offset from the final tax computed over the earnings of the year.

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

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

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

Corporate Tax (cont'd)

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

Government Grants and Incentives

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

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

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

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

The investment amount related to the incentive is TL 52,185,276 (31 December 2024: TL 52,185,276), and the incentives for 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 investment amount related to the incentive is TL 9,399,037 (31 December 2024: TL 9,399,037) and the incentives for 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).

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

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

The investment amount related to the incentive is TL 336,066 (31 December 2024: TL 333,066) and the incentives for the investment are as follows.

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

As 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 20 and 25 September 2025.

The investment amount related to the incentive is TL 816,634 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),

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

As of 31 March 2025, the Group has TL 55,959,812 tax deduction right to be used in the following periods (2024: TL 58,650,965).

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 57,647,690 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 March 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 29% was used in the prepared profit projections. The 2025 year-end exchange rate expectation is % and the long-term exchange rate increase expectation is 10% - 12% (in USD basis).
- Possible tax planning strategies have been considered.

As a result of the assessments made according to the available analyses, the Company Management has concluded that the deferred tax asset calculated within the scope of the incentive certificate is recoverable. It is anticipated that the deferred tax assets in question will be recovered within 5 years starting from 2025. In the probability of 10% deviation in the profitability of the projections, there is no change in this predicted recovery period.

NOTE 26 - EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit presented in the consolidated statement of profit or loss by the weighted average number of shares outstanding during the year. In Türkiye, companies may increase their capital by distributing “bonus shares” to shareholders from retained earnings. Such "bonus shares" distributions are treated as issued shares for the purposes of earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been adjusted retrospectively to reflect the impact of the bonus share distribution. Since the convertible bond was not dilutive as of 31 March 2025, diluted earnings per share has not been presented.

	1 January-31 March 2025	**1 January-31 March 2024**
Net profit	1,421,189	14,813,133
Weighted average number of shares:		-
Weighted average number of ordinary shares	43,815,615,361	43,815,615,361
Earnings per share with a nominal value of 1 TL (full TL)	0.0324	0.3381

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.

	31 March 2025	**31 December 2024**
Özerdem Mensucat San. Tic. A.Ş.	459,621	111,826
	459,621	**111,826**

b) Deferred income from related parties:

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

	31 March 2025	**31 December 2024**
Zeki Mensucat Sanayi ve Tic. A.Ş.	430,514	232,658
Merinos Halı San. Tic. A.Ş.	253,701	145,184
	684,215	**377,842**

NOTE 27 - RELATED PARTY DISCLOSURES (cont'd)

c) Other payables to related parties:

	31 March 2025	31 December 2024
Merinos Halı San. Tic. A.Ş.	6,978,745	5,857,801
Erdemoğlu Holding A.Ş. (*)	213,722	292,480
	7,192,467	**6,150,281**

Interest is charged on the amount sent by the Group to Erdemoğlu Holding A.Ş. and Merinos Halı San. Tic. A.Ş.

d) Sales to related parties:

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

	1 January – 31 March 2025	1 January – 31 March 2024
	Goods/ Service	Goods/ Service
Merinos Halı San. Tic. A.Ş.	338,720	489,952
Özerdem Mensucat San. Tic. A.Ş.	334,928	447,058
Zeki Mensucat Sanayi ve Tic. A.Ş.	187,256	306,143
Akal İplik Tekstil San Tic. A.Ş.	232	-
	861,136	**1,243,153**

e) Purchases from related parties:

	1 January – 31 March 2025	1 January – 31 March 2024
	Goods/ Service	Goods/ Service
Erdemoğlu Holding A.Ş.	104,226	5,179
Merinos Halı San. Tic. A.Ş.	4,979	333
	109,205	**5,512**

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

	1 January – 31 March 2025	1 January – 31 March 2024
Özerdem Mensucat San. Tic. A.Ş.	16,238	7,384
Merinos Halı San. Tic. A.Ş.	1,948	3,925
Zeki Mensucat San. Tic. A.Ş.	31	203
Akal İplik Tekstil San Tic. A.Ş.	2	-
	1,981	**4,128**

NOTE 27 - RELATED PARTY DISCLOSURES (cont'd)

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

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

	1 January – 31 March 2025	1 January – 31 March 2024
Short-term benefits provided to key management	18,665	17,235
	18,665	**17,235**

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

Financial Risk Management

Financial risk factors

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

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

Foreign exchange risk management

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

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

Foreign exchange risk management (cont'd)

Assets and liabilities denominated in foreign currencies as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025		
	TL Equivalent	**US Dollar**	**Euro**
Trade receivables	4,280,923	71,011	39,100
Monetary financial assets (Including cash and banks))	377,271	4,499	5,078
Other	2,598,123	68,115	517
Current assets	**7,256,317**	**143,625**	**44,695**
Total assets	**7,256,317**	**143,625**	**44,695**
Trade payables (including other payables)	4,826,847	88,316	36,432
Financial liabilities	45,434,147	335,817	802,666
Other	3,709,062	55,842	39,150
Current liabilities	**53,970,056**	**479,975**	**878,248**
Trade payables (including other payables)	1,891,685	50,000	-
Financial liabilities	54,936,382	202,288	1,159,601
Other	7,261,460	191,931	-
Non-current liabilities	**64,089,527**	**444,219**	**1,159,601**
Total liabilities	**118,059,583**	**924,194**	**2,037,849**
Net foreign currency position	**(110,803,266)**	**(780,569)**	**(1,993,154)**

	31 December 2024		
	TL Equivalent	**US Dollar**	**Euro**
Trade receivables	5,882,566	90,893	57,937
Monetary financial assets (Including cash and banks))	784,461	12,802	7,072
Other	3,274,794	81,013	3,045
Current assets	**9,941,820**	**184,708**	**68,054**
Total assets	**9,941,820**	**184,708**	**68,054**
Trade payables (including other payables)	6,260,557	115,361	43,771
Financial liabilities	42,229,825	437,296	622,597
Other	2,670,073	35,393	31,928
Current liabilities	**51,160,456**	**588,050**	**698,296**
Trade payables (including other payables)	1,945,022	50,000	-
Financial liabilities	57,889,221	219,109	1,218,733
Other	6,148,371	158,054	-
Non-current liabilities	**65,982,614**	**427,163**	**1,218,733**
Total liabilities	**117,143,070**	**1,015,213**	**1,917,029**
	-		
Net foreign currency position	**(107,201,250)**	**(830,505)**	**(1,848,974)**

(*)In the first quarter of 2025, imports amounting to USD 107 million (2024: USD 938 million) and exports amounting to USD 62 million (2024: USD 317 million) were realized within the scope of investment activities amounting to USD 1.8 million (2024: USD 122 million).

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

Foreign currency sensitivity

	Profit / (Loss)	
As of 31 March 2025;	**Appreciation of foreign currency**	**Depreciation of foreign currency**
20% change in US Dollar/TL parity:		
US Dollar net asset	(5,906,363)	5,906,363
US Dollar net hedged amount	-	-
US Dollar Net Effect	**(5,906,363)**	**5,906,363**
20% change in EUR/TL parity:		
EUR net asset	(16,254,290)	16,254,290
EUR net hedged amount	-	-
EUR Net Effect	**(16,254,290)**	**16,254,290**
Total	**(22,160,653)**	**22,160,653**

	Profit / (Loss)	
As of 31 December 2024;	**Appreciation of foreign currency**	**Depreciation of foreign currency**
20% change in US Dollar/TL parity:		
US Dollar net asset	(6,303,600)	6,303,600
US Dollar net hedged amount	-	-
US Dollar Net Effect	**(6,303,600)**	**6,303,600**
20% change in EUR/TL parity:		
EUR net asset	(15,136,650)	15,136,650
EUR net hedged amount	-	-
EUR Net Effect	**(15,136,650)**	**15,136,650**
Total	**(21,440,250)**	**21,440,250**

NOTE 29 – EXPLANATION OF MONETARY GAIN / LOSS

Non-Monetary items	**1 January- 31 March 2025**
Statement of financial position items	**4,001,352**
Inventories	(365,121)
Prepaid expenses	15.855
Proptery, plan and equipment	14,848,152
Intangible Assets	140,597
Deferred Income	(1,025)
Paid-in capital	(4,628,537)
Restricted Reserves Appropriated from Profit	(1,455,581)
Share Premiums	(1,385,986)
Previous Year's Profit	(3,167,020)
Profit / Loss table items	**916,324**
Revenue	(218,027)
Cost of Sales (-)	210,615
General Administrative Expenses (-)	4,554
Marketing Expenses (-)	1,838
Research and Development Expenses (-)	32
Other Income from Operating Activities	(4,669)
Other Expense from Operating Activities (-)	9,785
Income from Investing Activities	761
Finance Income	(5,835)
Finance Expense (-)	90,746
Deferred Tax income	826,524
Monetary Gain Loss (net)	**4,917,676**

NOTE 30 - EVENTS AFTER THE BALANCE SHEET DATE

- None.