SASA POLYESTER
SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 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 Anonim Şirketi

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 2024, and the consolidated statement of profit or loss and other 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 2024, 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 Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (POA) and Standards on Auditing which are part of the Turkish Auditing Standards as adopted by the Capital Markets Board of Turkey. Our responsibilities under those Standards are further described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Company and the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) issued by POA and the ethical requirements regarding independent audit of consolidated financial statements in the Capital Markets Board legislation and other relevant legislation. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and other applicable laws and regulations. We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our opinion.

3) Other Matter

The consolidated financial statements of the Group as at 31 December 2023 in accordance with TFRSs issued by POA were audited by another auditor whose report dated 5 March 2024 expressed an unqualified opinion on those consolidated financial statements.

4) Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

<table>
<tr><th>Key Audit Matters</th><th>How the Matter was Addressed in the Audit</th></tr>
<tr><td>Application of inflation accounting</td><td></td></tr>
<tr><td>As explained in Note 2.1, the Group 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 31 December 2024.

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.

In accordance with TAS 29, the Group has used the Turkish consumer price indices to prepare inflation-sensitive financial statements. The principles applied for inflation adjustment are explained in Note 2.

Given the significant impact of TAS 29 on the Group's reported results and financial position, hyperinflationary accounting is considered a key audit matter.</td><td>The audit procedurs applied are described below;

- We met with the management who 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.</td></tr>
</table>

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4) Key Audit Matters (continued)

Key Audit Matters	How the Matter was Addressed in the Audit
Deferred Tax Assets Arising from Investment Incentives	
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 amounting to TL 53,288,539 to be used as of 31 December 2024. 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. Accounting policies and amounts related with deferred tax assets disclosures are presented in Note 2.6.13 and Note 25.	During our audit, we focused on the accuracy 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. The following audit procedures are implemented accordingly: - 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: • 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. The compliance of the disclosures in the notes to the consolidated financial statements regarding the deferred tax assets and liabilities with TAS 12 has been checked

4) Key Audit Matters (continued)

Key Audit Matters	How the Matter was Addressed in the Audit
Revenue Recognition	
Under TFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service. 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. 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. 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. Accounting policies and amounts related with revenue disclosures are presented in Note 2.6.1 and Note 17.	During the audit, the following audit procedures,including but not limited to, have been applied regarding the recognition of revenue: 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. 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. 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. The compliance of the disclosures in the consolidated financial statement notes regarding revenue in accordance with TFRS 15 has been checked.

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

Responsibilities of independent auditors in an independent audit are as follows:

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 Capital Markets Board and SIA 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 SIA, 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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) Pursuant to paragraph four of Article 398 of the Turkish Commercial Code No. 6102 (“TCC”), the Auditor's Report on the Early Detection of Risk System and Committee was submitted to the Company's Board of Directors on 3 March 2025.

2) In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group’s set of accounts and financial statements prepared for the period 1 January - 31 December 2024 does not comply with TCC and the provisions of the Group’s articles of association in relation to financial reporting.

3) In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Kaan Birdal.

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

Kaan Birdal, SMMM
Partner

3 March 2025
İstanbul

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AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

	Notes	Current Period 31 December 2024	Prior Period 31 December 2023
ASSETS			
Current Assets		**26,394,774**	**41,556,619**
Cash and Cash Equivalents	3	2,196,824	7,596,108
Trade Receivables	5	8,592,557	15,534,961
- Trade Receivables from Third Parties	5	*8,522,185*	*15,433,359*
- Trade Receivables from Related Parties	27	*70,372*	*101,602*
Other Receivables	7	45,942	35,461
- Other Receivables from Third Parties	7	*45,942*	*35,461*
Inventories	8	13,188,222	16,431,485
Prepaid Expenses	9	1,327,340	883,784
Other Current Assets	15	1,043,889	1,074,820
Non-Current Assets		**205,917,309**	**176,570,679**
Other Receivables		100	144
Property, Plant and Equipment	10	147,551,928	119,410,103
Intangible Assets	11	574,345	516,967
Prepaid Expenses	9	3,575,428	3,569,052
Deferred Tax Assets	25	54,215,508	53,074,413
TOTAL ASSETS		**232,312,083**	**218,127,298**
LIABILITIES			
Current Liabilities		**49,556,847**	**50,839,418**
Short Term Borrowings	4	40,319,053	33,236,438
- Bank Loans	*4*	*28,633,919*	*15,979,649*
- Short Term Portion of Long Term Borrowings	*4*	*11,612,660*	*17,029,927*
- Lease Liabilities	*4*	*72,474*	*226,862*
Trade Payables	5	7,569,702	12,481,041
- Trade Payables to Third Parties	5	*7,569,702*	*12,481,041*
Payables Related to Employee Benefits	6	193,385	252,874
Other Payables	7	372,734	376,420
- Other Payables to Third Parties	7	*372,734*	*376,420*
Deferred Income	7	1,077,943	4,332,542
- Deferred Income from Third Parties	7	*734,647*	*3,812,685*
- Deferred Income from Related Parties	27	*343,296*	*519,857*
Current Period Profit Tax Liability	25	-	150,844
Short Term Provisions	12	24,030	9,259
- Other Short Term Provisions	*12*	*24,030*	*9,259*
Non-Current Liabilities		**61,876,839**	**73,255,253**
Long Term Borrowings	4	54,292,617	61,093,180
- Bank Loans	*4*	*54,167,981*	*60,840,960*
- Lease Liabilities	*4*	*124,636*	*252,220*
Trade Payables	5	1,767,190	-
- Trade Payables to Third Parties	5	*1,767,190*	-
Other Payables		5,587,964	*11,944,428*
- Other Payables to Related Parties	*27*	*5,587,964*	*11,944,428*
Long Term Provisions	14	229,068	217,645
- Long Term Provisions Related to Employment Benefits	*14*	*229,068*	*217,645*
EQUITY		**120,878,397**	**94,032,627**
Paid in Share Capital	16	43,815,615	5,321,654
Share Capital Adjustment Differences	16	7,420,996	15,582,471
Repurchased Shares	16	(28,524)	(2,065)
Restricted Reserves Appropriated from Profits	16	18,312,709	1,613,507
Share Premiums	16	13,773,230	5,729,631
Accumulated Other Comprehensive Income/ Expenses That Will Not Be Reclassified to Profit or Loss		6,112,447	6,127,976
- Defined Benefit Plans Remeasurement Losses	16,24	*(48,254)*	*(32,725)*
- Revaluation Increase on Property, Plant and Equipment	16,24	*6,160,701*	*6,160,701*
Prior Years Profit	16	13,192,646	33,393,832
Net Profit for the Period	16	18,279,278	26,265,621
TOTAL EQUITY AND LIABILITIES		**232,312,083**	**218,127,298**

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 2024
(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

	Notes	**Current Period** **1 January -** **31 December 2024**	**Prior Period** **1 January -** **31 December 2023**
Revenue	17	48,582,547	66,871,472
Cost of Sales (-)	17	(39,955,356)	(54,302,798)
GROSS PROFIT		**8,627,191**	**12,568,674**
General Administrative Expenses (-)	18	(727,464)	(688,968)
Marketing Expenses (-)	18	(1,778,403)	(2,120,218)
Research and Development Expenses (-)	18	(97,818)	(33,289)
Other Income from Operating Activities	19	10,246,950	27,686,122
Other Expenses from Operating Activities (-)	19	(10,498,834)	(28,738,232)
PROFIT FROM OPERATING ACTIVITIES		**5,771,622**	**8,674,089**
Income from Investing Activities	21	-	4,652
Expenses from Investing Activities (-)	21	(36,624)	-
OPERATING PROFIT BEFORE FINANCE EXPENSE		**5,734,998**	**8,678,741**
Finance Income	22	1,793,315	3,529,374
Finance Expenses (-)	23	(21,394,977)	(38,998,866)
Monetary Gain	30	31,010,023	26,967,025
PROFIT FROM CONTINUING ACTIVITIES BEFORE TAX		**17,143,359**	**176,274**
Tax Income, Continuing Activities		**1,135,919**	**26,089,347**
- Current Tax Expense (-)	25	-	(150,844)
- Deferred Tax Expense	25	(6,520,771)	(75,352)
- Deferred Tax Income within Incentive Certificate	25	7,656,690	26,315,543
PROFIT FOR THE PERIOD		**18,279,278**	**26,265,621**
Other comprehensive (expense) / income		**(15,529)**	**6,137,752**
Items not to be Reclassified to Profit or Loss	24	(15,529)	6,137,752
Revaluation Increase on Property, Plant and Equipment(-)	*24*	-	*8,214,268*
Tax Effect of Property, Plant and Equipment Revaluation Increases (-)		-	*(2,053,567)*
Defined Benefit Plans Remeasurement Losses	*15*	*(20,705)*	*(30,599)*
Tax Effect of Defined Benefit Plans Remeasurement Losses	*25*	*5,176*	*7,650*
TOTAL COMPREHENSIVE INCOME		**18,263,749**	**32,403,373**
Distribution of Profit for the Period:			
Parent Company's Share		18,279,278	26,265,621
Earnings Per Share	26	**0.9621**	**6.3127**
Distribution of Total Comprehensive Income			
Parent Company's Share		18,263,749	32,403,373
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 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

							Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Retained Earnings		
	Notes	**Paid-in Capital**	**Share Capital Adjustment Differences**	**Share Premiums**	**Other Reserves**	**Repurchased Shares**	**Revaluation Increase on Property, Plant and Equipment**	**Defined Benefit Plans Remeasurement Losses**	**Restricted Reserves Appropriated from Profits**	**Prior Years Profits / (Loses)**	**Net Profit for the Period**	**Total Equity**
1 January 2023	**16**	**2,263,633**	**11,328,032**	**1,848,779**	**(404,119)**	**-**	**-**	**(9,776)**	**1,427,653**	**7,391,845**	**32,851,808**	**56,697,855**
Transfers from Retained Earnings	16	2,993,369	4,254,439	-	-	-	-	-	185,854	25,418,146	(32,851,808)	-
Total Comprehensive Income		-	-	-	-	-	6.160.701	(22.949)	-	-	26.265.621	32.403.373
Decrease from Share Repurchase Transactions												
Transactions with	16	-	-	-	-	(2,065)	-	-	-	(71,018)	-	(73,083)
Non-Controlling Shareholders	16-4	64,652	-	3,880,852	404,119	-	-	-	-	654,859	-	5,004,482
31 December 2023	**16**	**5,321,654**	**15,582,471**	**5,729,631**	**-**	**(2,065)**	**6,160,701**	**(32,725)**	**1,613,507**	**33,393,832**	**26,265,621**	**94,032,627**
1 January 2024	**16**	**5,321,654**	**15,582,471**	**5,729,631**	**-**	**(2,065)**	**6,160,701**	**(32,725)**	**1,613,507**	**33,393,832**	**26,265,621**	**94,032,627**
Transfers from retained earnings (*)	16	37,870,099	(8,161,475)	-	-	-	-	-	16,699,202	(20,142,205)	(26,265,621)	-
Total Comprehensive Income		-		-		-	-	(15,529)	-	-	18,279,278	18,263,749
Transactions with Shareholders	4	623,862	-	8,043,599	-	-	-	-	-	-	-	8,667,461
Transactions with Non-Controlling Shareholders	16	-	-	-	-	(26,459)	-	-	-	(58,981)	-	(85,440)
31 December 2024	**16**	**43,815,615**	**7,420,996**	**13,773,230**	**-**	**(28,524)**	**6,160,701**	**(48,254)**	**18,312,709**	**13,192,646**	**18,279,278**	**120,878,397**

(*) 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.

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024

(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 31 December 2024, unless otherwise stated.)

	Notes	Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
Cash Flows from Operating Activities:			
Profit for The Period Before Tax from Continuing Operations		**17,143,359**	**176,274**
Adjustments Related to Reconciliation of Net Profit /(Loss) for the Year		**(5,434,199)**	**20,072,140**
Adjustments for depreciation and amortization	10.11	1,799,556	1,697,391
Adjustments Related to Interest Income/Expense		6,310,141	10,015,403
Adjustments Related to Interest Expenses	*4,23*	*6,524,800*	*10,340,205*
Adjustments Related to Interest Income	*22*	*(214,659)*	*(324,802)*
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment	21	38,141	(4,133)
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment	*21*	*38,141*	*(4,133)*
Adjustments Related to Provisions		169,622	202,720
Adjustments Related to Provision for Employee Benefits	*14*	*169,622*	*202,720*
Adjustments Related to Provision for Litigation	12	17,617	5,665
Adjustments for Unrealized Foreign Exchange Differences		14,170,693	22,270,280
Monetary Gain		(27,939,969)	(14,115,186)
Changes in Working Capital:		**(253,913)**	**(11,873,856)**
Adjustments for Decrease/(Increase) in Trade Receivables		6,941,889	(10,321,997)
Decrease/(Increase) in Trade Receivables from Third Parties		*6,910,659*	*(10,423,599)*
Decrease in Trade Receivables from Related Parties		*31,230*	*101,602*
Adjustments Related to Increase in Other Receivables Related to Operations		(10,437)	(27,046)
Increase in Other Receivables		*(10,437)*	*(27,046)*
Adjustments for Decrease/(Increase) in Inventories		3,243,263	(2,839,717)
Adjustments for Decrease/(Increase) in Prepaid Expenses		(449,932)	(448,386)
Adjustments for Decrease in Other Current Assets		30,931	407,547
Adjustments Related to Decrease / (Increase) in Trade Payables to Third Parties		(3,144,149)	1,641,161
Adjustments Related to (Increase) / (Decrease in Other Payables		(3,551,390)	340,093
Adjustments Related to Decrease in Deferred Income		(3,254,599)	(756,418)
Adjustments Related to (Decrease)/ Increase in Employee Benefit Payables		(59,489)	130,907
Cash Flows from Operating Activities:		**11,455,247**	**8,374,558**
Payments for Provision Related to Employee Benefits	14	(91,301)	(285,016)
Tax Payments	25	(150,844)	-
Net Cash Generated from Operating Activities		**11,213,102**	**8,089,542**
Cash Flows Used in Investing Activities:			
Cash Outflows from Acquisition of Tangible and Intangible Assets	10,11	(30,062,375)	(39,813,216)
Cash Outflows from Acquisition of Tangible and Intangible Assets	10,11	*(30,062,375)*	*(39,813,216)*
Cash Inflows from Sale of Tangible and Intangible Assets	10,11,21	25,475	11,657
Cash Inflows from Sale of Tangible Assets	10,11,21	*25,475*	*11,657*
Interest Received	22	214,659	324,802
Net Cash Used in Investing Activities		**(29,822,241)**	**(39,476,757)**
Cash Flows from Financing Activities:			
Cash Inflows from Borrowings	4	65,152,381	101,694,152
Cash Inflows from Loans	*4*	*65,152,381*	*101,694,152*
Cash Outflows Related to Debt Payments	4	(46,394,076)	(60,992,784)
Cash Outflows Related to Loan Repayments	*4*	*(46,211,478)*	(60,744,701)
Cash Outflows Related to Repayment of Finance Lease Liabilities	*4*	*(182,598)*	*(248,083)*
Interest Paid	4	(5,497,590)	(9,790,280)
Net change related to increase in other payables to related parties	27	(6,356,464)	6,868,773
Cash Outflows Related to the Acquisition of Own Shares and Other Equity Instruments		(26,459)	(73,083)
Other Cash Inflows		8,667,461	79,755
Net Cash Generated from Financing Activities		**15,545,253**	**37,786,533**
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,063,886)	6,399,318
NET EFFECT OF MONETARY GAIN ON CASH AND CASH EQUIVALENTS		(2,335,398)	(713,787)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	7,596,108	1,910,577
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	**2,196,824**	**7,596,108**

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:

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

As of 31 December 2024, number of employees of the Company is 3,804 (31 December 2023: 4,208).

Subsidiaries

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

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

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

Approval of Consolidated Financial Statements

Board of Directors has approved the consolidated financial statements and delegated authority for publishing it on 3 March 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 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.

In addition, the consolidated 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 4 October 2022.

The financial statements are prepared on the historical cost basis, except for the revaluation of land. In determining the 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 December 2024, the Group's current liabilities exceed its current assets by TL 23,162,073 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 conclusion is based on the Group management's discussions with banks, the Group's EBITDA performance and cash flow forecasts which are expected to increase in 2024 compared to the previous periods, as well as the expectations regarding the production and sales volume with the commissioning 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 6,603,408 as of February 2024 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 December 2024, and 2023, the details of the Company's subsidiaries are as follows:

	31 December 2024	31 December 2023
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 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.

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies (cont'd)

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

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

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859,38	1.44379	268%
31.12.2022	1,128,45	2.37897	156%

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

- As of the report 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 rearenged. 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.

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 New and Amended Turkish Financial Reporting Standards

The accounting policies used in the preparation of the consolidated financial statements for the accounting period ending as of 31 December 2024 have been applied consistently with those used in the previous year, except for the new and amended TFRS and TFRS interpretations effective as of 1 January 2024, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

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

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to clarify the basis for classifying liabilities as current and non-current. According to the amendments made in January 2023, if an entity's right to defer payment of a liability depends on its ability to comply with the terms of a loan agreement at a date subsequent to the reporting period, the entity has the right to defer payment of that liability at the end of the reporting period (even if it does not comply with the terms at the end of the reporting period). When a liability under a loan agreement is classified as non-current and the entity's right to defer payment depends on the entity's ability to comply with the terms of the loan agreement within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the loan contract terms and related obligations. The amendments also clarify that the right to defer payment for a long-term classification must exist at the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or at a later date. The amendments clarify that the possibility that an entity will not exercise its right to defer payment until at least twelve months after the reporting period does not affect the classification of a liability. The amendments are applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

TFRS 16 (Amendments) Lease Liability in the Sale and Leaseback Transaction:

In January 2023, POA published amendments to TFRS 16. These amendments determine the provisions to be applied in the measurement of lease obligations arising from the sale and leaseback transaction by the seller-lessee, in such a way as to ensure that no gain or loss related to the remaining right of use is recognized. In this context, the sale and leaseback of the sale and leaseback transaction after the commencement date, when applying the provisions of TFRS 16, "Subsequent measurement of a lease liability", the Group will determine "lease payments" or "revised lease payments" so as not to recognize any gain or loss on the remaining right of use.The amendments are aimed at measuring the rental obligations arising from the lease back it does not contain a specific provision. Paid payables that are different from those included in the definition of lease payments in TFRS 16 may be determined as a lease payment by the first measurement of the rental obligation in question.

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

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

a) New standards, amendments and interpretations effective as of 1 January 2024 (cont'd):

The seller-lessee will need to develop and implement an accounting policy that will provide reliable and relevant information in accordance with TAS 8. The seller-lessee applies the changes retroactively in accordance with TAS 8 to the sales and leaseback transactions entered into after the first application date of TFRS 16. The effects of this change on the financial position and performance of the Group are being evaluated.

Amendments to TAS 7 and TFRS 7 - Disclosures:

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

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

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

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

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

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

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

b) New Standards issued but not yet effective and not early adopted (cont'd) :

TFRS 17 - New Insurance Contracts Standard;

In February 2019, POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that enables both the measurement of insurance contract liabilities at current balance sheet values and the recognition of profit over the period in which the services are provided. With the announcement made by POA, the mandatory effective date of the Standard has been postponed to accounting periods beginning on or after 1 January 2025. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to IAS 21 - Non-convertibility;

In May 2024, the IASB issued amendments to IAS 21. The amendments clarify how to assess whether a currency is convertible and how to determine the exchange rate when a currency is not convertible. According to the amendments, when an exchange rate is estimated because a currency is not convertible, information is disclosed that enables users of the financial statements to understand how the non-convertibility of a currency affects, or is expected to affect, the entity's performance, financial position and cash flows. The amendments are applied for annual reporting periods starting on or after 1 January 2025. Early application is allowed, and information is given in footnotes in this case. The comparative information is not rearranged, when changes are applied. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

c) Amendments that are effective from the date of issue

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

In December 2023, POA issued amendments to IAS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar 2 income taxes. The amendments clarify that TAS 12 applies to inputs arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. In this scope, the exemption for not recognizing and disclosing information about deferred taxes and the disclosure requirement that the exemption has been applied are applied when the amendment is issued. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

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

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

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

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

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

In May 2024, the IASB issued amendments (to IFRS 9 and IFRS 7) on classification and measurement of financial instruments. The amendment clarifies that financial liabilities are derecognized at the "date of delivery". In addition, the amendment introduces an accounting policy preference for derecognition of financial liabilities settled through electronic payment systems before the delivery date if certain conditions are met. In addition, the amendment introduces explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets containing Environmental, Social Management (ESG) related or other similar conditional characteristics, as well as non-callable assets and practices for contractually interconnected financial instruments. In addition, with this amendment, financial assets and liabilities containing contractual provisions referring to a contingent event (including those related to ESG) and the difference in fair value based on equity, measured by reflecting to other comprehensive income additional explanations have been added to IFRS 7 for financial instruments. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

Annual Improvements to IFRS Accounting Standards - Amendment 11

In January 2024, the IASB issued "Annual Improvements to IFRS Accounting Standards / Amendment 11" with the following amendments:

- *IFRS 1 – First-time Adoption of International Financial Reporting Standards- Hedge Accounting Applied by a First-time Adopter of IFRS:* The amendment was made to eliminate the potential inconsistencies that may arise between the statements in IFRS 1 and the provision related to hedge accounting in IFRS 9.

- *IFRS 7 Financial Instruments: Explanations - Gains or losses related to derecognition of financial statements:* A change has been made in the expression of unobservable inputs in IFRS 7 and a reference has been added to IFRS 13.

- *IFRS 9 Financial Instruments - Derecognition of lease liabilities and transaction price by Lessee :* The amendment to IFRS 9 clarifies that when the lease liability is derecognized from the lessee's perspective, any gain or loss arising should be recognized in profit or loss, ,in accordance with the derecognition provisions of IFRS 9. Additionally, a revision was made to remove references to ''transaction price'' in IFRS 9.

- *IFRS 10 Consolidated Financial Statements – Determination of ''De facto Agent'':* Amendments have been made to the Standard to eliminate inconsistencies in paragraphs 10 of IFRS.

- *IAS 7 Statement of Cash Flows - Cost Method:* After the removal of the phrase "cost method" with the previous amendments, the phrase mentioned in the Standard was deleted.

The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

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

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

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

IFRS 18 - Presentation and Disclosures in New Financial Statements:

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

IFRS 19 – Subsidiaries that do not have New Public Accountability: Disclosure Standard

In May 2024, the IASB issued IFRS 19, which provides an option for certain entities to apply reduced disclosure requirements while applying the recognition, measurement and presentation provisions of IFRS.

Unless otherwise stated, entities that choose to apply IFRS 19 within the scope of the other IFRS there will be no need to apply the disclosure provisions. A subsidiary that does not have public accountability and has a parent entity (intermediate or ultimate) that prepares consolidated financial statements in compliance with IFRS available for public use may choose to apply IFRS 19.

The impact of this standard on the Group's financial position and performance is being assessed.

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 2024 are consistent with those used in the preparation of financial statements for the year ended 31 December 2023.

2.4.1 Comparative Information and Reclassification of Prior Period Financial Statements

The consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassed and significant changes are disclosed if necessary.

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 58,282,754 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 53,288,539 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.

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.

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.

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

Lands 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 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, except lands, are presented at cost less 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 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.

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.

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).

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. The amount of borrowing costs capitalized during the current period is given in the Note 10.

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.

<u>Classification of financial assets</u>

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.

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)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

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).

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.

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.

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)

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.

Derivatives are initially recognized at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value at each reporting date. The resulting gain or loss is recognized in profit or loss unless the derivative is designated and effective as a hedging instrument.

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.

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.

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.

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 December 2023 for Fiber Production Facility Investment and on 5 December 2023 for Solar Energy Plant (SPP) Investment as a result of the incentive certificate application made to the Republic of Turkey 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.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.14 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation and are initially recognized at cost plus transaction costs. After initial recognition, investment properties are measured at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are recognized in the statement of profit or loss in the period in which they arise. The estimated useful lives of investment properties are 18-40 years for buildings and 15-25 years for land improvements.

Investment properties are derecognized when they are disposed of or when they become obsolete and no future economic benefits are expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period in which they arise.

Transfers are made when there is a change in the use of investment property. For a transfer from investment property measured at fair value through profit or loss to owner-occupied property, the estimated cost of the transfer is the fair value of the property at the date of the change in use. When an owner-occupied property changes from an investment property to an investment property measured at fair value through profit or loss, the entity applies the same accounting policy as for property, plant and equipment until the date of the change in use.

2.6.15 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.

<u>Current tax</u>

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.

<u>Deferred tax</u>

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.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.15 Taxes Calculated on Corporate Income (cont'd)

Deferred tax (con't)

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.

2.6.16 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.

2.6.17 Statement of Cash Flows

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

2.6.18 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.

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

2.6 Summary of Significant Accounting Policies (cont'd)

2.6.19 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 2024, 16% of the Group's revenue is generated from a customer not related to the Group (2023: 18%).

NOTE 3 – CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash	167	153
Cash at Banks	2,196,657	7,595,955
-Demand Deposit	1,428,657	6,621,301
-Time Deposit	768,000	974,654
	2,196,824	**7,596,108**

The details of the Group's time deposits as of 31 December 2024 are as follows (31 December 2023: TL 675,000, maturity date 2 January 2024, interest rate 41%).

Currency	Interest Rate (%)	Maturity	31 December 2024
TL	48.00	10 January 2025	768,000

As of 31 December 2024, the Group has no blocked bank deposits with maturities longer than 3 months (31 December 2023: None).

NOTE 4 – FINANCIAL INSTRUMENTS

Financial Borrowings

Short-Term Financial Borrowings

	31 December 2024	31 December 2023
Short-term bank loans	28,633,919	15,979,649
Short-term portions of long-term borrowings	11,612,660	17,029,927
Lease liabilities	72,474	226,862
	40,319,053	**33,236,438**

Long-Term Financial Borrowings

	31 December 2024	31 December 2023
Long-term bank loans	54,167,981	60,840,960
Lease liabilities	124,636	252,220
	54,292,617	**61,093,180**
	94,611,670	**94,329,618**

NOTE 4 – FINANCIAL INSTRUMENTS

Financial Borrowings (cont'd)

a) Bank loans

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

Principal	**31 December 2024**			**31 December 2023**		
Original Currency	**Weighted average effective interest rate (%)**	**Currency amount (*)**	**TL**	**Weighted average effective interest rate (%)**	**Currency amount (*)**	**TL**
TL	22.72	-	3,505,523	26.38	-	12,926,576
US Dollar	8.49	636,612	22,500,301	8.48	400,887	17,069,444
Euro	5.93	1,804,504	66,410,095	6.73	1,328,587	62,595,792
			92,415,919			**92,591,812**
Interest accrues						
TL	-	-	140,928	-	-	411,120
US Dollar	-	19,793	699,548	-	3,382	144,013
Euro	-	31,470	1,158,165	-	14,934	703,591
			94,414,560			**93,850,536**

(*) 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 December 2024	31 December 2023
Within 1 year	40,246,579	33,009,576
Within 1–2 years	21,111,232	19,069,157
Within 2–3 years	8,440,933	7,967,874
Within 3–4 years	7,185,426	7,821,836
Within 4–5 years	5,929,055	6,749,993
5 years and longer	11,501,335	19,232,100
	94,414,560	**93,850,536**

b) Lease liabilities

Distribution of lease liabilities	31 December 2024	31 December 2023
Short-term	72,474	226,862
Long-term	124,636	252,220
	197,110	**479,082**

Maturity distribution:	31 December 2024	31 December 2023
Within 1 year	72,474	226,862
Within 1–2 years	48,314	92,659
Within 2–3 years	50,353	61,852
Within 3–4 years	25,969	64,464
Within 4–5 years	-	33,245
	197,110	**479,082**

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 5.44% annually (2023: 5.19%). 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 December 2024	31 December 2023
Opening balance	**94,329,618**	**62,213,628**
Interest expense	6,524,800	10,340,205
Interest paid	(5,497,590)	(9,790,280)
Exchange rate difference	14,170,693	22,270,280
Capitalized borrowing costs (Note 11)	-	2,173,420
Payments for lease liabilities	(182,598)	(248,083)
Loans received	65,152,381	101,694,152
Repayments of loans	(46,211,478)	(60,744,701)
Share conversions of issued debt instruments	(3,547,704)	(4,224,936)
Commission expenses	414,795	148,241
Commission paid	(414,795)	(148,241)
Monetary gain	(30,126,452)	(29,354,067)
Closing balance	**94,611,670**	**94,329,618**

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	31 December 2024	31 December 2023
Trade receivables (*)	5,247,957	11,731,724
Checks received (**)	3,282,604	3,710,526
Provision for doubtful receivables	(8,376)	(8,891)
	8,522,185	**15,433,359**
Receivables from related parties (Note 27)	70,372	101,602
	8,592,557	**15,534,961**

(*) As of 31 December 2024, trade receivables are discounted by using monthly 4.46% for TL, 0.69% for US Dollar, 0.49% for Euro (As of 31 December 2023: 4.11% for TL, 0.72% for US Dollar, 0.91% for Euro).

(**) Notes received constitute the notes obtained from customers and kept in portfolio as a result of trade activities and consist of TL 2,288,780 with maturities of less than three months (31 December 2023: TL 1,529,711).

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 December 2024	31 December 2023
Up to 1 month	1,220,723	1,248,980
1 - 3 months	464,096	314,926
More than 3 months	213,735	46,559
	1,898,554	**1,610,465**

As of 31 December 2024 and 31 December 2023, 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	31 December 2024	31 December 2023
Over 6 months	8,376	8,891
	8,376	**8,891**

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 – 30 December 2024	1 January – 31 December 2023
Balances as of 1 January	**(8,891)**	**(14,652)**
Provision for the period (Note 19)	-	-
Provision released during the period (Note 19)	-	-
Monetary gain	515	5,761
Balances as of 31 December	**(8,376)**	**(8,891)**

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

Trade Payables (Short-term)

	31 December 2024	31 December 2023
Trade payables (*)	7,569,702	12,481,041
	7,569,702	**12,481,041**

Trade Payables (Long-term)

	31 December 2024	31 December 2023
Trade payables (*)	1,767,190	-
	1,767,190	**-**

(*) As of 31 December 2024, trade payables are discounted at the rates of TL 4,46%, USD 0,69%, EUR 0,49% (31 December 2023: TL 4,11%, USD 0,72%, EUR 0,91%) per month. The average maturities of trade receivables and trade payables as of 31 December 2024 are 48 days and 138 days, respectively (31 December 2023: 44 days and 108 days).

NOTE 6 – PAYABLES RELATED TO EMPLOYEE BENEFITS

	31 December 2024	31 December 2023
Social security premiums payable	112,726	165,610
Due to personnel	80,659	87,264
	193,385	**252,874**

NOTE 7 – OTHER RECEIVABLES, PAYABLES AND DEFERRED INCOME

Other Current Receivables

	31 December 2024	31 December 2023
Deposits and guarantees given	401	357
Other receivables (*)	45,541	35,104
	45,942	**35,461**

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

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

Other Payables

	31 December 2024	31 December 2023
Taxes, duties and fees payable	372,734	371,331
Tax debts in installments	-	5,089
	372,734	**376,420**

Deferred Income

	31 December 2024	31 December 2023
Advances received for orders	734,647	3,812,685
Advances received for orders from related parties (Note 27)	343,296	519,857
	1,077,943	**4,332,542**

NOTE 8 – INVENTORIES

	31 December 2024	31 December 2023
Raw materials	7,056,324	4,843,138
Finished goods	3,395,004	5,711,006
Goods in transit (*)	2,212,084	5,273,557
Spare parts	277,549	331,583
Semi – finished goods	121,731	128,991
Other inventories	125,530	143,210
	13,188,222	**16,431,485**

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

NOTE 9 - PREPAID EXPENSES

Prepaid Expenses (Short-Term)

	31 December 2024	31 December 2023
Prepaid insurance expenses	819,995	630,044
Other prepaid expenses	507,345	253,740
	1,327,340	**883,784**

Prepaid Expenses (Long-Term)

	31 December 2024	31 December 2023
Given advances for fixed assets (*)	3,575,428	3,569,052
	3,575,428	**3,569,052**

(*) 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 December 2024 and 2023 is as follows:

	1 January 2024	Additions	Transfers	Revaluation	Disposals	31 December 2024
Cost						
Land	18,290,613	238,941	-	-	-	18,529,554
Land improvements	262,779	26,775	-	-	(171)	289,383
Buildings	5,447,083	35,298	(6,013)	-	(782)	5,475,586
Machinery, plant and equipment	36,243,645	98,312	6,013	-	(124,130)	36,223,840
Vehicles	165,209	3,800	-	-	(3)	169,006
Furniture and fixtures	450,357	20,870	-	-	(4,504)	466,723
Construction in progress (*)	73,666,912	29,518,276	-	-	-	103,185,188
	134,526,598	**29,942,272**	**-**	**-**	**(129,590)**	**164,339,280**
Accumulated depreciation						
Land improvements	187,604	10,572	-	-	(389)	197,787
Buildings	1,875,430	181,413	-	-	(1,596)	2,055,247
Machinery, plant and equipment	12,722,155	1,476,428	-	-	(63,463)	14,135,120
Vehicles	110,223	20,423	-	-	(112)	130,534
Furniture and fixtures	221,083	47,995	-	-	(414)	268,664
	15,116,495	**1,736,831**	**-**	**-**	**(65,974)**	**16,787,352**
Net book value	**119,410,103**					**147,551,928**

(*) For the period ended 31 December 2024, there is no borrowing cost capitalized in construction in progress (31 December 2023: TL 1,505,360) (Note 4). As of 31 December 2024, the Group has pledged machinery amounting to TL 67,433,160 on its property, plant and equipment (31 December 2023: TL 56,217,961) (Note 13). The Group has an insurance policy on property, plant and equipment amounting to TL 758,202 (31 December 2023: TL 630,044).

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

	1 January 2023	Additions	Transfers	Revaluation	Disposals	31 December 2023
Cost						
Land	9,082,174	994,171	-	8,214,268	-	18,290,613
Land improvements	262,743	-	36	-	-	262,779
Buildings	5,417,685	29,228	170	-	-	5,447,083
Machinery, plant and equipment	35,189,517	338,737	814,542	-	(99,151)	36,243,645
Vehicles	149,867	8,446	6,896	-	-	165,209
Furniture and fixtures	382,702	41,915	25,740	-	-	450,357
Construction in progress (*)	36,628,366	38,332,383	(1,293,837)	-	-	73,666,912
	87,113,054	**39,744,880**	**(446,453)**	**8,214,268**	**(99,151)**	**134,526,598**
Accumulated depreciation						
Land improvements	182,359	5,245	-	-	-	187,604
Buildings	1,700,934	174,496	-	-	-	1,875,430
Machinery, plant and equipment	11,388,193	1,425,589	-	-	(91,627)	12,722,155
Vehicles	89,272	20,951	-	-	-	110,223
Furniture and fixtures	179,275	41,808	-	-	-	221,083
	13,540,033	**1,668,089**	**-**	**-**	**(91,627)**	**15,116,495**
Net book value	**73,573,021**					**119,410,103**

NOT 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 December 2024 are as follows:

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

	1 January – 31 December 2024	**1 January – 31 December 2023**
Opening balance	18,290,613	9,082,173
Entrances	238,941	994,171
Increase in fair value	-	8,214,268
-*Recognized in other comprehensive income*	-	*8,214,268*
Closing balance	**18,529,554**	**18,290,612**

If lands were recognized at their historical cost, carrying amount would be as follows:

	31 December 2024	**31 December 2023**
Lands	4,712,880	4,473,939
	4,712,880	**4,473,939**

Income statement related to the total depreciation expense and amortization (tangible fixed assets and intangible assets) for the accounting periods ended on 31 December 2024 and 2023 their accounts are as follows:

	1 January - 31 December 2024	**1 January - 31 December 2023**
Production cost (Note: 18)	1,715,955	1,609,825
General administrative expenses (Note: 19)	46,797	59,594
Marketing, selling and distribution expenses (Note: 19)	27,826	25,962
Research expenses (Note: 19)	8,978	2,010
	1,799,556	**1,697,391**

NOTE 11 – INTANGIBLE ASSETS

The movement of intangible assets and related accumulated amortization for the periods ended 31 December 2024 and 2023 is as follows:

	1 January 2024	Additions	Transfers(*)	31 December 2024
Cost				
Software and development costs	826,806	120,103	-	946,909
	826,806	**120,103**	**-**	**946,909**
Accumulated amortization				
Software and development costs	309,839	62,725	-	372,564
	309,839	**62,725**	**-**	**372,564**
Net book value	**516,967**			**574,345**

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

	1 January 2023	Additions	Transfers(*)	31 December 2023
Cost				
Software and development costs	312,016	68,336	446,454	826,806
	312,016	**68,336**	**446,454**	**826,806**
Accumulated amortization				
Software and development costs	280,537	29,302	-	309,839
	280,537	**29,302**	**-**	**309,839**
Net book value	**31,479**			**516,967**

The income statement accounts related to the total amortization for the accounting periods ending on 31 December 2024 and 2023 are given in Note 10.

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision for Litigation

	31 December 2024	31 December 2023
Provision for litigation (*)	24,030	9,259
	24,030	**9,259**

(*) 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.

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

As of 31 December 2024 and 2023, the movement tables of the provision for litigation are as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Balances as of 1 January	**9,259**	**5,921**
Provision for the period (Not 19)	18,828	5,957
Provision written-off within the period (Note 19)	(1,211)	(292)
Monetary gain/loss	(2,846)	(2,327)
Balances at 31 December	**24,030**	**9,259**

NOTE 13 – COMMITMENTS

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

Commitments based on export incentive certificates

	31 December 2024	**31 December 2023**
Total amount of export commitment of certificates	88,811,425	113,218,857
Total amount of export commitment of documents which are presently fulfilled but closing transactions are not concluded yet	13,333,150	37,564,815
Total export commitment of open documents registered in the document	75,478,275	75,654,042
Open export incentives	50,592,429	49,414,540

	31 December 2024	**31 December 2023**
Open Letter of Credits	2,341,282	8,274,921

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

	31 December 2024				**31 December 2023**			
	TL Equivalent	**TL**	**US Dollar**	**Euro**	**TL Equivalent**	**TL**	**US Dollar**	**Euro**
A. Total CPMs given for Company's Own Legal Entity (*)	75,845,834	4,153,931	71,468	1,879,387	89,405,668	6,107,573	42,218	1,729,387
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	**75,845,834**	**4,153,931**	**71,468**	**1,879,387**	**89,405,668**	**6,107,573**	**42,218**	**1,729,387**

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

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 67,433,160 (31 December 2023: TL 56,217,961).

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

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

	31 December 2024	31 December 2023
Letters of guarantee received	2,423,399	4,367,978
	2,423,399	**4,367,978**

NOTE 14 - PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for long-term employee benefits

	31 December 2024	31 December 2023
Provision for employee termination benefits	199,084	180,512
Accumulated provision for unused vacation	29,984	37,133
	229,068	**217,645**

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 2024 and 2023 are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Balances as of 1 January	**37,133**	**42,719**
Provision for the period	37,809	31,804
Provision released during the period	(33,545)	(20,597)
Monetary gain / loss	(11,413)	(16,793)
Balances at 31 December	**29,984**	**37,133**

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 2024, the maximum amount payable consists of TL 46.66 per month for each year of service (31 December 2023: TL 35.06) 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.

	31 December 2024	31 December 2023
Discount rate (%)	3,40	3,50
Retention rate to estimate probability of retirement (%)	95	98

Discount rate is derived upon the difference of long-term interest's rates in TL and the expected inflation rate. The principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 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 December 2024	1 January – 31 December 2023
Balances at 1 January	**180,512**	**357,607**
Provision recognised during the period	165,358	191,513
Payment within the period	(91,301)	(285,016)
Actuarial loss	20,705	30,599
Monetary gain / loss	(76,190)	(114,191)
Balances at 31 December	**199,084**	**180,512**

NOTE 15 - OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 December 2024	31 December 2023
VAT carried forward	209,349	338,227
VAT return receivables from export and domestic market sales (*)	834,540	736,593
	1,043,889	**1,074,820**

(*) As of 31 December 2024, the Group has completed the application process for TL 513,314 of the VAT receivable amounting to TL 834,540 and as of the report publication date, TL 231,180 of the refund application has been collected (31 December 2023: TL 510,182).

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 2023: 532,165,379,410 shares) with a nominal value of Kr 1 each. The shareholders of the Group and their shareholding percentages as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		31 December 2023	
	Share amount	Share percentage	Share amount	Share percentage
Erdemoğlu Holding A.Ş. (*)	24,792,253	56.58	2,938,234	55.21
Erdemoğlu Global Gayrimenkul A.Ş. (**)	8,817,529	20.12	-	-
Merinos Halı San. ve Tic. A.Ş. (**)	-	-	1,102,191	20.71
Other	10,205,833	23.30	1,281,229	24.08
Paid In Capital	**43,815,615**	**100**	**5,321,654**	**100**
Adjustments to share capital	7,420,996		15,582,471	
Total	**51,236,611**		**20,904,125**	

(*) Shares amounting to TL 88,360 issued within the scope of the allotted increase of the Group's issued capital from TL 5,321,654 to TL 5,410,014 have been sold to Erdemoğlu Holding A.Ş., the controlling shareholder of the Group, on 24 May 2024 in the Borsa Istanbul share market through the allotted sale method and the capital increase transactions have been completed.

TL 5,410,014 of the Group's issued capital was increased by TL 37,870,099 to TL 43,280,113, all of which was funded from internal resources, and the application for the amendment of the articles of association within the scope of the decision regarding the issuance of 700% bonus shares for 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 Directorate on 23 December 2024 and announced in the Turkish Trade Registry Gazette dated 23 December 2024 and numbered 1845.

(**) All of the SASA shares with a total nominal value of TL 8,817,529 owned by Merinos Halı Sanayi ve Ticaret A.Ş. were transferred to the newly established Erdemoğlu Global Gayrimenkul A.Ş., whose entire capital belongs to Erdemoğlu Holding A.Ş., on 30 December 2024.

NOTE 16 – EQUITY (cont'd)

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:

	31 December 2024	31 December 2023
Paid-in Capital	43,815,615	5,321,654
Capital Adjustment Differences	7,420,996	15,582,471
Repurchased Shares (**)	(28,524)	(2,065)
Restricted Reserves Appropriated from Profit	18,312,709	1,613,507
Share Premiums	13,773,230	5,729,631
Prior Years' Profits	13,192,646	33,393,832
Defined Benefit Plans Remeasurement Losses	(48,254)	(32,725)
Gain on Revaluation of Property, Plant and Equipment	6,160,701	6,160,701
Net Profit for the Period	18,279,278	26,265,621
Total equity	**120,878,397**	**94,032,627**

(*) 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 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.

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.

NOTE 16 – EQUITY (cont'd)

Restricted Reserves Appropriated from Profit (cont'd)

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.

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 1,077,943 (31 December 2023: TL 4,332,542) (Note 7). The Group expects to recognize this revenue in the financial statements within one year.

Revenue

	1 January- 31 December 2024	**1 January- 31 December 2023**
Polyester Chips (SPC)	18,583,020	22,139,654
Domestic	*11,710,273*	*14,845,776*
Foreign	*6,872,747*	*7,293,878*
Polyester Fiber	16,517,055	20,832,053
Domestic	*9,614,273*	*14,518,784*
Foreign	*6,902,782*	*6,313,269*
Polyester Yarn (Filament)	8,412,581	11,238,195
Domestic	*8,368,896*	*11,206,133*
Foreign	*43,685*	*32,062*
Poy (Filament)	4,661,809	10,356,213
Domestic	*4,640,405*	*10,291,016*
Foreign	*21,404*	*65,197*
Other	408,082	2,305,357
Domestic	*100,796*	*133,091*
Foreign	*307,286*	*2,172,266*
Revenue	**48,582,547**	**66,871,472**

Cost of Sales

	1 January- 31 December 2024	**1 January- 31 December 2023**
Raw materials expense	34,413,832	45,483,282
Energy expenses	1,934,491	4,257,707
Labor expenses	2,102,563	2,839,080
Depreciation and amortization expenses (Note 10)	1,041,624	1,530,012
Spare parts and maintenance expenses	381,086	621,419
Insurance expenses	424,385	486,151
Usage of semi-finished goods	(32,388)	(55,283)
Other expenses	617,791	1,299,412
Production Cost for the Period	**40,883,384**	**56,461,780**
Change in finished good inventory during the period	(2,316,002)	(2,652,514)
Cost of waste goods sold	113,217	157,301
Other idle period expense	600,426	256,418
Depreciation and amortization for the idle period (Note 10)	674,331	79,813
Cost of Goods Sold During the Period	**39,955,356**	**54,302,798**

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

General Administrative Expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	302,501	289,921
Severance and notice pay	133,802	65,752
Insurance expenses	89,267	89,399
Consultancy expenses	73,136	90,966
Depreciation and amortization expenses (Note 10)	46,797	59,594
Supplies, repair and maintenance expenses	40,466	59,594
Provision for litigation (Note 12)	18,828	5,957
Auxiliary service expenses	15,878	13,082
Energy expenses	3,131	4,437
Other expenses	3,658	10,266
	727,464	**688,968**

Marketing Expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Export and freight expenses	1,445,886	1,814,456
Personnel expenses	138,310	139,519
Insurance expenses	51,076	48,728
Depreciation and amortization expenses (Note 10)	27,826	25,962
Taxes and duties expenses	17,001	14,026
Other expenses	98,304	77,527
	1,778,403	**2,120,218**

Research and Development Expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Depreciation and amortization expenses (Note 10)	8,978	2,010
Labor and personnel expenses	86,636	30,533
Other expenses	2,204	746
	97,818	**33,289**

NOTE 19 - OTHER INCOME / EXPENSE FROM OPERATING ACTIVITIES

Other Operating Income

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange income on trade receivables/payables	9,208,840	25,876,183
Income on miscellaneous sales	389,025	687,692
Profits from insurance events	262,647	-
Raw materials sales income	48,195	85,196
Other income (*)	338,243	1,037,051
	10,246,950	**27,686,122**

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

Other Operating Expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange losses on trade receivables/payables	9,161,129	28,121,348
Miscellaneous cost of sales	155,393	275,401
Taxes, duties and charges	36,771	65,168
Raw material cost of sales	29,290	51,910
Other expenses	1,116,251	224,405
	10,498,834	**28,738,232**

NOTE 20 – EXPENSES BY NATURE

	1 January- 31 December 2024	1 January- 31 December 2023
Direct raw materials expense	34,413,832	45,483,282
Labor and personnel expenses	2,552,352	3,299,053
Energy expenses	1,937,622	4,262,144
Export and freight costs	1,445,886	1,814,456
Depreciation and amortization expenses (Note 10)	1,799,556	1,697,391
Other idle period expense	600,426	256,418
Insurance expenses	564,728	624,278
Spare parts and maintenance expenses	381,086	621,419
Cost of waste goods sold	113,217	157,301
Severance and notice pay	73,136	65,752
Consultancy expenses	133,802	90,966
Material maintenance and repair expenses	40,466	59,594
Litigation provision (Note 12)	15,878	5,957
Taxes and duties expenses	27,826	14,026
Auxiliary service expenses	18,828	13,082
Usage of semi-finished product	(32,388)	(55,283)
In-period product utilization	(2,316,002)	(2,652,514)
Other expenses	788,790	1,387,951
	42,559,041	**57,145,273**

NOTE 21 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

	1 January- 31 December 2024	1 January- 31 December 2023
Rent Income	1,517	519
Loss/Gain on sale of property, plant and equipment (*)	(38,141)	4,133
	(36,624)	**4,652**

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

Note 22- FINANCIAL INCOME

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange income	1,578,656	3,204,572
Interest expenses	214,659	324,802
	1,793,315	**3,529,374**

NOTE 23 – FINANCIAL EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange expenses	14,170,693	28,074,390
Interest expenses	6,524,800	10,340,205
Commission and other bank cost expenses	699,484	584,271
	21,394,977	**38,998,866**

NOTE 24 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

	31 December 2024	31 December 2023
Property, plant and equipment revaluation fund	6,160,701	6,160,701
Defined benefit plans remeasurement gain	(48,254)	(32,725)
	6,112,447	**6,127,976**

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

Property, plant and equipment revaluation fund

	1 January- 31 December 2024	1 January- 31 December 2023
Balances at the beginning of the period	6,160,701	-
Revaluation of property, plant and equipment (Note 10)	-	8,214,268
Arising from revaluation transaction deferred tax liabilities (Note 25)	-	(2,053,567)
Balances at the end of the period	**6,160,701**	**6,160,701**

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 2024	1 January- 31 December 2023
Balances at the beginning of the period	(32,725)	(9,776)
Increase during the period (Note 14)	(20,705)	(30,599)
Deferred tax effect (Note 25)	5,176	7,650
Balances at the end of the period	**(48,254)**	**(32,725)**

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 December 2024 and 31 December 2023 using the enacted tax rates are as follows:

	Cumulative temporary difference		Deferred tax asset /(liability)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net difference between recorded value of property, plant and equipment and intangible assets and tax value	11,150,326	37,706,017	2,787,377	9,425,951
Property, plant and equipment revaluation difference	(8,215,089)	(8,215,089)	(2,053,567)	(2,053,567)
Investment incentives deduction to be used (*)	58,282,754	52,685,216	53,288,539	45,631,849
Provision for employment termination benefits	199,084	180,513	49,771	45,128
Valuation differences of inventories	414,587	(21,080)	103,647	(5,270)
Adjustment for advances given and received, net	(142,648)	(167,948)	(35,662)	(41,987)
Adjustment of periodicity of sales	30,993	41,436	7,748	10,359
Provision for unused vacation	29,984	37,133	7,496	9,284
Provision for litigation	24,030	9,259	6,008	2,314
Provision for doubtful receivables	8,376	8,892	2,094	2,223
Provision for export expense	26,819	34,196	6,705	8,549
Adjustments for foreign currency exchange difference	185,845	158,320	45,352	39,580
Deferred tax assets	-	-	56,304,737	55,175,237
Deferred tax liabilities	-	-	(2,089,229)	(2,100,824)
Deferred tax asset, net			**54,215,508**	**53,074,413**

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

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

Deferred Taxes (cont'd)

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

	31 December 2024	31 December 2023
Sasa Polyester San. A.Ş.	54,203,572	53,053,282
Sasa Dış Ticaret A.Ş.	11,936	21,131
	54,215,508	**53,074,413**

Movement table of deferred tax is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Balances at 1 January	**53,074,413**	**28,880,139**
Deferred tax expense of the period	(6,520,771)	(75,352)
Deferred tax income within the incentive certificate	7,656,690	26,315,543
Deferred tax expense recognized under other comprehensive income (Note 25)	5,176	(2,045,917)
Balances at 31 December	**54,215,508**	**53,074,413**

Reconciliation of tax provision

	1 January – 31 December 2024	1 January – 31 December 2023
Profit before tax from operating activities	17,143,359	176,274
Income tax rate: 25% (2023: 25%)	(4,285,840)	(44,069)
Tax effects:		
-Non-deductible expenses	(190.293)	(719,935)
-Effects of reduced corporate tax application	7,656,690	26,315,543
-Other adjustments and monetary gain / (loss)	(2,044,638)	537,808
Tax provision income in the income statement	**1,135,919**	**26,089,347**

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

Corporate Tax

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

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

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

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

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

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

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

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

Corporate Tax (cont'd)

Total tax income for the periods ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Balances at 1 January	**53,074,413**	**28,804,788**
Deferred tax income	(6,520,771)	26,315,543
Deferred tax assets utilised within the scope of incentive certificate	7,656,690	(2,045,918)
Total Tax Income	**54,210,332**	**53,074,413**

	31 December 2024	31 December 2023
Corporate tax payable	-	150,844
Prepaid taxes and funds	-	-
	-	**150,844**

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 amount of investment subject to incentive has reached to TL 52.185.276 (31 December 2023: TL 43.206.800) as of the report date after the revisions made and the incentive elements benefited by the investment are as follows.

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

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

The amount of investment subject to incentive has reached to TL 9,399,037 (31 December 2023: TL 8,739,108) as of the report date after the revisions made and the incentive elements benefited by the investment are as follows.

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

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

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

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

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

As of 31 December 2024, the Group has TL 53,288,539 tax deduction right to be used in the following periods (2023: TL 45,631,849).

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 53,288,539 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 2024, the following assumptions were used in the calculation of the recoverable amount of deferred tax assets:

- There is no time restriction on this incentive.
- Based on the consolidated tax profit projections prepared by the management. The Company's growth assumptions are based on 2024-2025 when the investments are planned to be completed.
- Long-term inflation expectation of 21% was used in the prepared profit projections. The 2024 year-end exchange rate expectation is 37,5% and the long-term exchange rate increase expectation is 8% - 10% (in USD basis).
- Possible tax planning strategies have been considered.

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

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 2024, the Company is not presenting the diluted earnings per share since the convertible debt is antidilutive.

	1 January- 31 December 2024	**1 January- 31 December 2023**
Net profit	18,279,278	26,265,621
Weighted average number of shares:		
Weighted average number of ordinary shares	18,999,166,112	18,999,166,112
Earnings per share with a nominal value of 1 TL (full TL)	0.9621	6.3127

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 December 2024	**31 December 2023**
Özerdem Mensucat San. Tic. A.Ş.	70,372	101,602
	70,372	**101,602**

b) Deferred income from related parties:

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

	31 December 2024	**31 December 2023**
Zeki Mensucat Sanayi ve Tic. A.Ş.	211,386	233,657
Merinos Halı San. Tic. A.Ş.	131,910	286,200
	343,296	**519,857**

c) Other payables to related parties:

	31 December 2024	**31 December 2023**
Merinos Halı San. Tic. A.Ş.	5,322,225	-
Erdemoğlu Holding A.Ş. (*)	265,739	11,944,447
	5,587,964	**11,944,447**

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

NOT 27 - RELATED PARTY DISCLOSURES (cont'd)

d) Sales to related parties:

	1 January – 31 December 2024	**1 January – 31 December 2023**
	Product	**Product**
Merinos Halı San. Tic. A.Ş.	2,097,093	2,235,027
Zeki Mensucat Sanayi ve Tic. A.Ş.	1,471,326	1,448,427
Özerdem Mensucat San. Tic. A.Ş.	1,065,769	1,464,516
Akal İplik Tekstil San Tic. A.Ş.	957	-
	4,635,145	**5,147,970**

e) Purchases from related parties:

	1 January – 31 December 2024	**1 January – 31 December 2023**
	Product	**Product**
Erdemoğlu Holding A.Ş.	1,633,411	14,437
Merinos Halı San. Tic. A.Ş.	72,433	448
	1,705,844	**14,885**

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

	1 January – 31 December 2024	**1 January – 31 December 2023**
Merinos Halı San. Tic. A.Ş.	37,392	53,986
Zeki Mensucat San. Tic. A.Ş.	6,102	8,810
Özerdem Mensucat San. Tic. A.Ş.	232	335
Akal İplik Tekstil San Tic. A.Ş.	20	-
	43,746	**63,131**

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

As of 31 December 2024 and 2023, remuneration of the Board of Directors and key management personnel amounts are as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Short-term benefits provided to key management	59,996	49,210
	59,996	**49,210**

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 2024 and 2023, 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 2024	31 December 2023
Financial Borrowings (Note 4-27)	100,199,634	106,274,046
Less: Cash and Cash Equivalents and Financial Investments (Note 3-4)	(2,196,824)	(7,596,108)
Net Debt	98,002,810	98,677,938
Total Equity	120,878,397	95,065,892
Total Capital	218,881,207	193,743,830
Net Debt/Total Capital Ratio	45%	51%

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.

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.

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				
	Trade Receivables		Other Receivables		
31 December 2024	Related Party	Third Party	Third Party	Bank Deposits	Derivate Instruments
Maximum credit risk as of reporting date	70,372	8,522,185	45,942	2,196,824	-
Secured portion of the maximum credit risk by guarantees (*)	-	7,922,890	-	-	-
Net book value of financial assets that are neiter past due nor impaired	70,372	6,623,631	45,942	2,196,824	-
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	-	1,898,554	-	-	-
The part under guarantee with colleteral etc.	-	1,299,259	-	-	-
Net book value of the assets impaired	-	-	-	-	-
- Overdue (gross carrying amount)	-	8,376	-	-	-
- Impairment	-	(8,376)	-	-	-

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				
	Trade Receivables		Other Receivables		
31 December 2023	**Related Party**	**Third Party**	**Third Party**	**Bank Deposits**	**Derivate Instruments**
Maximum credit risk as of reporting date	101,602	15,534,961	35,461	7,596,108	-
Secured portion of the maximum credit risk by guarantees (*)	-	14,568,104	-	-	-
Net book value of financial assets that are neiter past due nor impaired	-	13,822,893	35,461	7,595,955	-
Net Book value of financial assets whose cpnditions 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	-	1,610,466	-	-	-
The part under guarantee with colleteral etc.	-	745,211	-	-	-
Net book value of the assets impaired	-	-	-	-	-
- Overdue (gross carrying amount)	-	8,891	-	-	-
- Impairment	-	(8,891)	-	-	-

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

	31 December 2024	**31 December 2023**
1 - 30 days past due	1,220,723	1,248,980
1 - 3 months past due	464,096	314,926
3 - 12 months past due	213,735	46,559
Total	**1,898,554**	**1,610,465**
Portion under guarantee with financial instruments such as collaterals, mortgages etc. (*)	**1,299,259**	**745,211**

(*) 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.

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)

As of 31 December 2024

Contractual maturities

Non-Derivative Financial Liabilities

	Book Value	Total Cash outflows	Less than 3 months	3-12 ay months	1-5 years	More than 5 years
Bank loans	94,414,560	107,834,792	14,395,462	30,324,261	50,438,350	12,676,719
Financial lease liabilities	197,110	214,510	39,836	40,984	133,690	-
Other Payables	5,960,698	5,960,698	-	372,734	5,587,964	
Trade payables	9,336,892	9,336,892	3,292,396	4,277,306	1,767,190	-

As of 31 December 2023

Contractual maturities

Non-Derivative Financial Liabilities

	Book Value	Total Cash outflows	Less than 3 months	3-12 ay months	1-5 years	More than 5 years
Bank loans	93,850,536	116,742,902	8,395,396	24,082,064	60,993,483	23,271,959
Financial lease liabilities	479,082	519,639	63,018	182,005	274,616	-
Debt instruments issued	-	-	-	-	-	-
Other Payables	12,320,848	12,320,848	-	376,420	11,944,428	-
Trade payables	12,481,041	12,481,041	11,645,348	835,693	-	-

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:

1. 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 2024 and 31 December 2023 are as follows:

	31 December 2024		
	TL Equivalent	**US Dollar**	**Euro**
Trade receivables	5,344,726	90,893	57,937
Monetary financial assets			
(including cash, bank accounts)	712,738	12,802	7,072
Other	2,975,381	81,013	3,045
Total assets	**9,032,845**	**184,708**	**68,054**
Trade payables (including other payables)	5,688,158	115,361	43,771
Financial liabilities	38,368,775	437,296	622,597
Other	2,425,950	35,393	31,928
Current liabilities	**46,482,883**	**588,050**	**698,296**
Trade payables (including other payables)	1,767,190	50,000	-
Financial liabilities	52,596,441	219,109	1,218,733
Other	5,586,229	158,054	-
Non-current liabilities	**59,949,860**	**427,163**	**1,218,733**
Total liabilities	**106,432,743**	**1,015,213**	**1,917,029**
Net foreign currency position	**(97,399,898)**	**(830,505)**	**(1,848,974)**

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)

	31 December 2023		
	TL Equivalent	**US Dollar**	**Euro**
Trade receivables	8,387,475	128,169	62,192
Monetary financial assets			
(including cash, bank accounts)	5,392,946	114,796	10,719
Other	2,391,465	44,195	10,818
Current assets	**16,171,886**	**287,160**	**83,729**
Total assets	**16,171,886**	**287,160**	**83,729**
Trade payables (including other payables)	5,644,208	106,577	23,480
Financial liabilities	27,128,853	114,242	472,561
Other	1,933,050	28,411	15,353
Current liabilities	**34,706,111**	**249,230**	**511,394**
Financial liabilities	53,863,066	290,027	881,128
Non-current liabilities	**53,863,066**	**290,027**	**881,128**
Total liabilities	**88,569,177**	**539,257**	**1,392,522**
Net foreign currency position	**(72,397,291)**	**(252,097)**	**(1,308,793)**

(*) In 2024, imports amounting to USD 938 Million (2023: USD 1.346 Million) and exports amounting to USD 317 Million (2023: USD 340 Million) were realized, of which USD 122 Million (2023: USD 404 Million) was within the scope of ongoing investments.

Foreign currency sensitivity

	Profit / (Loss)	
As of 31 December 2024;	**Appreciation of foreign currency**	**Depreciation of foreign currency**
20% change in USD against TL:		
USD net asset	(5,870,641)	5,870,641
Part of hedged from the USD risk	-	-
USD net effect	**(5,870,641)**	**5,870,641**
20% change in EUR against TL:		
EUR net asset	(13,609,339)	13,609,339
Part of hedged from the EUR risk	-	-
EUR net effect	**(13,609,339)**	**13,609,339**
Total	**(19,479,980)**	**19,479,980**

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)

	Profit / (Loss)	
As of 31 December 2023;	**Appreciation of foreign currency**	**Depreciation of foreign currency**
20% change in USD against TL:		
USD net asset	(2,143,118)	2,143,118
Part of hedged from the USD risk	-	-
USD net effect	**(2,143,118)**	**2,143,118**
20% change in EUR against TL:		
EUR net asset	(12,311,409)	12,311,409
Part of hedged from the EUR risk	-	-
EUR net effect	**(13,311,409)**	**12,311,409**
Total	**(14,454,527)**	**14,454,527**

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 2024	**31 December 2023**
Fixed interest rate instruments		
Principal	36,217,702	32,916,987
Interest	905,373	615,871
Fixed financial liabilities total	**37,123,075**	**33,532,858**

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 2024	31 December 2023
Variable rate financial instruments		
Principal	56,395,232	60,153,343
Interest	1,093,363	643,417
Variable financial liabilities total	**57,488,595**	**60,796,760**

If the interest rate in TL currency was 10% higher/lower at 31 December 2024 and all other variables remained constant, profit before tax and non-controlling interest would have been lower/higher by TL 33,492 (31 December 2023: TL 20,295).

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 2024	Financial assets/liabilities amortized cost	Financial instruments at FVTPL	Carrying value	Note
Financial assets				
Cash and cash equivalents	2,196,824	-	2,196,824	3
Trade receivables	8,522,185	-	8,522,185	5
Receivables from related parties	70,372	-	70,372	27
Other financial assets	1,089,931	-	1,089,931	7-15
Financial liabilities				
Financial borrowings	94,611,670	-	94,611,670	4
Trade payables	9,336,892	-	9,336,892	5
Other payables	372,734	-	372,734	7
Other payables to related parties	5,587,964	-	5,587,964	27
31 December2023				
Financial assets				
Cash and cash equivalents	7,596,108	-	7,596,108	3
Trade receivables from related parties	15,534,961	-	15,433,359	5
Trade receivables	101,602	-	101,602	27
Other financial assets	1,110,425	-	1,110,425	7-15
Financial liabilities				
Financial borrowings	94,329,618	-	94,329,618	4
Trade payables	12,481,041	-	12,481,041	5
Other payables	376,420	-	376,420	7
Other financial liabilities	25,161	-	25,161	7

NOT 30 – DISCLOSURES ON NET MONETARY POSITION GAINS/LOSSES

Non-monetary items	1 January- 31 December 2024
Statement of financial position items	15,096,812
Inventories	(51,721)
Prepaid Expenses	114,953
Tangible Fixed Assets	36,609,463
Intangible Assets	1,209,839
Deferred income	(1,550)
Paid-in Capital	(6,053,239)
Restricted Reserves	(3,805,138)
Share Premiums	(1,918,107)
Accumulated losses not to be reclassified to profit or loss Other Comprehensive Income / (Expenses)	730,945
Retained Earnings	(11,738,633)
Statement of Profit or Loss Items	15,913,211
Revenue	(2,631,555)
Cost of Sales (-)	5,062,893
General Administrative Expenses (-)	92,331
Marketing Expenses (-)	37,121
Research and Development Expenses (-)	1,417
Other Operating Income	(496,760)
Other Operating Expenses (-)	(5,636,584)
Income/Expenses from Investing Activities	(1,732)
Financing Revenues	(1,648,417)
Finance Expenses (-)	3,482,818
Deferred Tax Income/Expense	17,651,679
Gains / Losses on Net Monetary Position	**31,010,023**

NOT 31 - FEES RELATED TO SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

	31 December 2024	31 December 2023
Audit fee for the reporting period	3,904	2,426
Fee for other assurance services	495	491
	4,399	**2,917**

NOT 32 - EVENTS AFTER THE BALANCE SHEET DATE

Within the scope of the decision of the Board of Directors of Sasa Polyester Sanayi A.Ş., one of the Group companies, dated 4 February 2025; an application for amendment of the articles of association was made to the Capital Markets Board on 5 February 2025 in order to meet the requirements of the articles of association requested by the Energy Market Regulatory Authority within the scope of obtaining an electricity generation license for the electricity to be generated in the PTA production facility and to enable the board of directors meetings to be held electronically.

Purified Terephthalic Acid (PTA) Facility is located within the Adana campus of Sasa Polyester Sanayi A.Ş., one of the group companies. The investment cost of this facility is 1 billion 720 million US dollars and the facility has an annual production capacity of 1 million 750 thousand tons. In this facility, construction, computerized assembly, receiving and trial production continue with more than 150 companies and 40 million man-hours of work, and the facility was capitalized on 3 March 2025.