

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

**TRANSLATION OF THE SUMMARY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1-
SEPTEMBER 30, 2024**

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SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024 AND 31 DECEMBER 2023**

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

		Current Period	Prior Period
		(Non-Audited)	(Audited)
	Notes	30 September 2024	31 December 2023
ASSETS			
Current Assets		30,791,373	39,104,656
Cash and Cash Equivalents	3	2,237,567	7,147,915
Trade Receivables	5	11,295,554	14,618,353
- Trade Receivables from Third Parties	5	10,955,379	14,522,746
- Trade Receivables from Related Parties	27	340,175	95,607
Other Receivables	7	27,852	33,369
- Other Receivables from Third Parties	7	27,852	33,369
Inventories	8	14,878,551	15,461,978
Prepaid Expenses	9	1,129,184	831,638
Other Current Assets	15	1,222,665	1,011,403
Non-Current Assets		193,079,222	167,124,790
Other Receivables		100	136
Property, Plant and Equipment	10	137,399,545	113,336,856
Intangible Assets	11	505,811	486,464
Prepaid Expenses	9	3,786,176	3,358,467
Deferred Tax Assets	25	51,387,590	49,942,867
TOTAL ASSETS		223,870,595	206,229,446
LIABILITIES			
Current Liabilities		65,229,215	47,839,743
Short Term Borrowings	4	49,693,610	31,275,390
- Bank Loans	4	27,072,880	15,036,802
- Short Term Portion of Long Term Borrowings	4	22,515,196	16,025,111
- Lease Liabilities	4	105,534	213,477
Trade Payables	5	11,992,487	11,744,623
- Trade Payables to Third Parties	5	11,992,487	11,744,623
Payables Related to Employee Benefits	6	196,302	237,953
Other Payables	7	177,882	354,210
- Other Payables to Third Parties	7	177,882	354,210
Deferred Income	7	3,155,799	4,076,910
- Deferred Income from Third Parties	7	2,515,527	3,587,726
- Deferred Income from Related Parties	27	640,272	489,184
Current Period Profit Tax Liability	25	-	141,944
Short Term Provisions	12	13,135	8,713
- Other Short Term Provisions	12	13,135	8,713
Non-Current Liabilities		49,757,619	68,932,978
Long Term Borrowings	4	43,986,048	57,488,502
- Bank Loans	4	40,296,609	57,251,164
- Convertible Bonds	4	3,547,704	-
- Lease Liabilities	4	141,735	237,338
Trade Payables	5	1,709,125	-
- Trade Payables to Third Parties	5	1,709,125	-
Other Payables		3,813,240	11,239,672
- Other Payables to Related Parties	27	3,813,240	11,239,672
Long Term Provisions	14	249,206	204,804
- Long Term Provisions Related to Employment Benefits	14	249,206	204,804
EQUITY		108,883,761	89,456,725
Paid in Share Capital	16	43,280,113	5,321,654
Share Capital Adjustment Differences	16	5,408,478	14,349,066
Repurchased Shares	16	(26,841)	(1,943)
Restricted Reserves Appropriated from Profits	16	17,410,154	1,518,306
Share Premiums	16	10,126,122	5,391,566
Accumulated Other Comprehensive Income/ Expenses That Will Not Be Reclassified to Profit or Loss			
		5,744,405	5,766,408
- Defined Benefit Plans Remeasurement Losses	16	(52,797)	(30,794)
- Revaluation Increase on Property, Plant and Equipment	16	5,797,202	5,797,202
Prior Years Profit	16	9,653,011	32,395,797
Net Profit for the Period	16	17,288,319	24,715,871
TOTAL EQUITY AND LIABILITIES		223,870,595	206,229,446

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIOD 30 SEPTEMBER 2024 AND 2023**

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

		(Non-Audited)	(Non-Audited)	(Non-Audited)	(Non-Audited)
		1 January - 30 September 2024	1 July - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2023
	Notes				
Revenue	17	35,590,137	11,066,611	49,209,454	17,740,768
Cost of Sales (-)	17	(28,338,417)	(8,930,184)	(42,546,950)	(14,612,913)
GROSS PROFIT		7,251,720	2,136,427	6,662,504	3,127,855
General Administrative Expenses (-)	18	(508,141)	(156,605)	(526,198)	(180,757)
Marketing Expenses (-)	18	(1,344,917)	(447,819)	(1,420,241)	(476,527)
Research and Development Expenses (-)	18	(9,726)	(2,940)	(4,523)	(1,166)
Other Income from Operating Activities	19	9,051,441	1,752,984	16,804,797	2,757,236
Other Expenses from Operating Activities (-)	19	(9,340,037)	(2,182,287)	(17,413,588)	(2,744,454)
PROFIT FROM OPERATING ACTIVITIES		5,100,340	1,099,760	4,102,751	2,482,187
Income from Investing Activities	21	7,443	1,889	4,009	753
Expenses from Investing Activities (-)	21	(31,459)	(30,005)	(169)	(44)
OPERATING PROFIT BEFORE FINANCE EXPENSE		5,076,324	1,071,644	4,106,591	2,482,896
Finance Income	22	659,269	138,746	3,091,054	818,074
Finance Expenses (-)	23	(15,664,434)	(6,997,233)	(27,164,545)	(3,419,477)
Monetary Gain		25,779,772	8,054,242	26,017,825	15,316,668
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX		15,850,931	2,267,399	6,050,925	15,198,161
Tax Income / (Expense), Continuing Activities		1,437,388	76,499	2,738,047	(6,537,288)
- Deferred Tax Income/(Expense)	25	(4,647,027)	(1,903,534)	(14,217,316)	(10,415,907)
- Deferred Tax Income within Incentive Certificate	25	6,084,415	1,980,033	16,955,363	3,878,619
PROFIT FOR THE PERIOD		17,288,319	2,343,898	8,788,972	8,660,873
Other comprehensive income / expense		(22,003)	-	530,486	530,486
Items not to be Reclassified to Profit or Loss	24	(22,003)	-	530,486	530,486
Revaluation Increase on Property, Plant and Equipment (-)	24	-	-	652,905	652,905
Tax Effect (-)	25	-	-	(122,419)	(122,419)
Defined Benefit Plans Remeasurement Losses	24	(29,338)	-	-	-
Tax Effect of Defined Benefit Plans Remeasurement Losses	25	7,335	-	-	-
TOTAL COMPREHENSIVE INCOME		17,266,316	2,343,898	9,319,458	9,191,359
Distribution of Profit for the Period:					
Parent Company's Share		17,288,319	2,343,898	8,788,972	8,660,873
Earnings Per Share	26	0.3995	0.0542	0.2031	0.2001
Distribution of Total Comprehensive Income					
Owners of parent Non-Controlling Shares		17,266,316	2,343,898	9,319,458	9,191,359
Non-controlling Shares		-	-	-	-

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED SHAREHOLDERS' EQUITY CHANGES TABLE FOR THE ACCOUNTING PERIODS ENDING ON SEPTEMBER 30, 2024 AND 2023

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

Non-Audited	Notes	Paid-in Capital	Inflation Difference in capital	Premiums Related to shares	Other Reserves	Share Repurchase	Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	Retained Earnings			Total Equity	
							Revaluation Increase on Property, Plant and Equipment	Defined Benefit Plans Remeasurement Losses	Restricted Reserves	Prior Years Profits / (Losses)		Net Profit for the Period
1 January 2023	16	3,381,528	10,029,794	1,739,700	380,274	-	-	(20,563)	1,343,422	18,855,116	29,816,266	65,525,537
Transfers from Retained Earnings	16	4,471,644	1,344,907	-	-	-	-	-	174,888	23,824,827	(29,816,266)	-
Total Comprehensive Income		-	-	-	-	-	530,486	-	-	-	8,788,972	9,319,458
Decrease Incurred from Share Repurchase	16	-	-	-	-	(1,494)	-	-	-	(2,902,821)	-	(2,904,315)
Transactions with Non-Controlling Shareholders	16-4	62,055	23,736	2,925,750	-	-	-	-	-	-	-	3,011,541
30 September 2023	16	7,915,227	11,398,437	4,665,450	380,274	(1,494)	530,486	(20,563)	1,518,310	39,777,122	8,788,972	74,952,221
Non-Audited												
1 January 2024	16	5,321,654	14,349,066	5,391,566	-	(1,943)	5,797,202	(30,794)	1,518,306	32,395,797	24,715,871	89,456,725
Transfers from Retained Earnings	16	37,870,099	(9,157,015)	-	-	-	-	-	15,891,848	(19,889,061)	(24,715,871)	-
Total Comprehensive Income		-	-	-	-	-	-	(22,003)	-	-	17,288,319	17,266,316
Decrease incurred from Share Repurchase	16	-	-	-	-	(24,898)	-	-	-	(60,440)	-	(85,338)
Transactions with Non-Controlling Shareholders (*)	16-4	88,360	216,427	4,734,556	-	-	-	-	-	(2,793,285)	-	2,246,058
30 September 2024	16	43,280,113	5,408,478	10,126,122	-	(26,841)	5,797,202	(52,797)	17,410,154	9,653,011	17,288,319	108,883,761

(*) Shares amounting to TL 88,360 issued within the scope of the allocated increase of the Group's issued capital from TL 5,321,654,794 to TL 5,410,014 were sold to Erdemoğlu Holding A.Ş., the controlling shareholder of the Group, as a wholesale purchase and sale transaction in the Borsa Istanbul share market on May 24, 2024 at a price of TL 49.40 for a share with a nominal value of TL 1, with a total sales revenue of TL 4,365,000 and the capital increase transactions were completed.

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 30 SEPTEMBER 2024**

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

	Notes	(Non-Audited) 1 January - 30 September 2024	(Audited) 1 January - 30 September 2023
Cash Flows from Operating Activities:			
Continuing Activities Period Profit Before Tax		15,850,931	6,050,925
Adjustments Related to Reconciliation of Net Profit / (Loss) for the Period		(4,204,739)	8,145,214
Adjustments for depreciation and amortization	10,11	1,275,255	1,417,550
Adjustments Related to Interest Income/Expense		5,247,500	6,584,174
<i>Adjustments Related to Interest Expenses</i>	4,23	<i>5,306,390</i>	<i>6,892,630</i>
<i>Adjustments Related to Interest Income</i>	22	<i>(58,890)</i>	<i>(308,456)</i>
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		24,016	(3,840)
<i>Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment</i>	21	<i>24,016</i>	<i>(3,840)</i>
Adjustments Related to Provisions		153,479	171,391
<i>Adjustments Related to Provision for Employee Benefits</i>	14	<i>153,479</i>	<i>171,391</i>
Adjustments Related to Provision for Litigation	12	7,527	2,356
Adjustments Related to Impairment / (Reversal)		(8,683)	-
<i>Adjustments for Impairment / (Reversal) of Receivables</i>	5	<i>(8,683)</i>	-
Adjustments for Unrealized Foreign Exchange Differences	4	10,337,162	16,486,752
Adjustments for Monetary Loss		(21,255,445)	(16,543,398)
Adjustments for Foreign Exchange Rate Differences on Cash and Cash Equivalents		14,450	30,229
Changes in Working Capital:		(781,182)	(11,948,083)
Adjustments Related to Trade Receivables		(527,033)	(8,682,952)
<i>Decrease in Trade Receivables from Third Parties</i>		<i>(796,836)</i>	<i>(8,660,235)</i>
<i>Increase (Decrease) in Trade Receivables from Related Parties</i>		<i>269,803</i>	<i>(22,717)</i>
Adjustments for Increase in Other Receivables Related to Other Receivables		(3,291)	(255)
<i>Decrease in Other Receivables</i>		<i>(3,291)</i>	<i>(255)</i>
Adjustments for Decrease in Inventories		(3,497,763)	(363,294)
Adjustments for Decrease in Prepaid Expenses		(1,403,525)	(2,954,351)
Adjustments for (Decrease) / Increase in Other Current Assets		(478,222)	378,524
Adjustments Related to Decrease / (Increase) in Trade Payables to Third Parties		5,056,983	(1,306,266)
Adjustments Related to (Increase) / (Decrease) in Other Payables		(104,478)	387,889
Adjustments Related to Decrease in Deferred Income		154,990	458,824
Adjustments Related to Decrease in Employee Benefit Payables		21,157	133,798
Cash Flows from Operating Activities:		10,865,010	2,248,056
Payments for Provision Related to Employee Benefits	14	(62,576)	(222,697)
Net Cash (Used in) / Obtained from Operating Activities		10,802,434	2,025,359
Cash Flows Used in Investing Activities:			
Cash Outflows from Acquisition of Tangible and Intangible Assets		(22,723,379)	(23,379,295)
<i>Cash Outflows from Acquisition of Tangible and Intangible Assets</i>		<i>(22,723,379)</i>	<i>(23,379,295)</i>
Cash Inflows from Sale of Tangible and Intangible Assets		8,936	6,663
<i>Cash Inflows from Sale of Tangible Assets</i>		<i>8,936</i>	<i>6,663</i>
Interest Received	22	58,890	308,456
Net Cash Used in Investing Activities		(22,655,553)	(23,064,176)
Cash Flows from Financing Activities:			
Cash Inflows from Borrowings	4	46,204,450	52,455,363
<i>Cash Inflows from Loans</i>	4	<i>46,204,450</i>	<i>52,455,363</i>
Cash Outflows Related to Debt Payments	4	(28,148,859)	(26,932,832)
<i>Cash Outflows Related to Loan Repayments</i>	4	<i>(28,009,954)</i>	<i>(26,788,535)</i>
<i>Cash Outflows Related to Repayment of Finance Lease Liabilities</i>	4	<i>(138,905)</i>	<i>(144,297)</i>
Interest Paid		(4,669,124)	(4,814,970)
Net change related to increase in other payables to related parties		(4,542,554)	-
Cash Outflows Related to the Acquisition of Own Shares and Other Equity Instruments		-	(2,904,315)
Other Cash (Outflows) / Inflows		-	5,525,042
Net Cash Used in / Generated from Financing Activities		8,843,913	23,328,288
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,009,206)	2,289,471
EFFECT OF FOREIGN EXCHANGE DIFFERENCES			
ON CASH AND CASH EQUIVALENTS		(14,450)	(30,229)
NET EFFECT OF MONETARY GAIN			
ON CASH AND CASH EQUIVALENTS		(1,886,692)	(598,129)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	7,147,915	1,797,853
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	2,237,567	3,458,966

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP

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

The address of the registered office is:

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

As of 30 September 2024, number of employees of the Company is 3,962 (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 11 November 2024. General Assembly has the authority to modify the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The Group has prepared its condensed consolidated financial statements for the interim period ended September 30, 2024 in accordance with the Communiqué Serial: II, Communiqué No: 14.1 and announcements clarifying this communiqué, in accordance with TAS 34 “Interim Period Financial Reporting”. The condensed consolidated interim financial statements and notes, in accordance with the formats recommended by the CMB and the information required by the CMB is included and presented.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

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

2.1 Basis of Presentation (cont'd)

Businesses are free to prepare their interim financial statements as a full set or summary in accordance with the TAS 34 standard. In this context, the Group has chosen to prepare condensed consolidated financial statements in interim periods. The Group's interim condensed consolidated financial statements do not include all of the disclosures and footnotes that year-end consolidated financial statements are required to include, and therefore should be read together with the Group's financial statements dated December 31, 2023.

Currency Used

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

Going Concern

The consolidated financial statements are prepared on the going concern basis, with the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities. As at 30 September 2024, the Group's current liabilities exceed its current assets by TL 34,437,842 in the consolidated statement of financial position. The Group management foresees the continuity of operational profitability. The management has assessed that this amount in the light of current conditions and expected forecasts and have concluded that this is not indicative of a material uncertainty which would cast significant doubt on the Group's ability to continue as a going concern. While reaching this conclusion, agreements that the management has reached as a result of negotiations with the banks, the Group's EBITDA performance, which is anticipated as increasing trend, and cash generation, as well as the introduction of new investments, and the cash flow estimates that emerged based on expectations regarding the production and sales volume have been effective in 2024.

The Group's liquidity management safeguards the Group's ability to meet its payment obligations at any time. For this purpose, liquidity planning provides information about all cash flows arising from operating and financial activities within the planning framework. The Group has obtained loans amounting to TL 8,874,079 from October 1, 2024 until the date of publication of the report by providing financing to meet its financial, operational activities and capital expenditures. The resulting financial requirements are met through the use of appropriate instruments for the liquidity method such as new bank loans, transfer of existing credit facilities and guarantees provided by shareholders.

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

Basis of Consolidation

As of 30 September 2024, and 31 December 2023, the details of the Company's subsidiaries are as follows:

	30 September 2024	31 December 2023
Sasa Dış Ticaret A.Ş.	100%	100%
Sasa Uluslararası Finansal Yatırım A.Ş.	100%	100%

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 30 SEPTEMBER 2024

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

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

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

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

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

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

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

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

Financial Reporting in Hyperinflationary Economies.

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

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

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

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies (cont'd)

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

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

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
30.09.2024	2.526,16	1,00000	343%
31.12.2023	1.859,38	1,35860	268%
30.09.2023	1.691,04	1,49385	254%

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:

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 30 SEPTEMBER 2024

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

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary Economies (cont'd)

Restatement of the Statement of Financial Position

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

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

Restatement of the Statement of Profit or Loss

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

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

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

Restatement of Statement of Cash Flows

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

Consolidated financial statements

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

Comparative figures

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 30 SEPTEMBER 2024

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

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

2.2 Offsetting

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

2.3 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 September 30, 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 January 1, 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 specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. The effects of the change on the Group's financial position and performance are being evaluated.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

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

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

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

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

In January 2023, POA published amendments to IFRS 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 IFRS 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 IFRS 16 may be determined as a lease payment by the first measurement of the rental obligation in question. 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 IFRS 16. The effects of this change on the financial position and performance of the Group are being evaluated.

Amendments to TAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by IFRS 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.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

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

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

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

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

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

TFRS 17 - New Insurance Contracts Standard;

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

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

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

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

The following amendments to IAS 21 and IFRS 18 have been issued by the IASB published but not yet adapted/issued to TFRS by POA. For this reason, they do not form part of TFRS. The Group 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 July 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.

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

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

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

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

NOTE 3 – CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash	1,505	144
Cash at Banks	2,236,062	7,147,771
-Demand Deposit	2,178,062	6,230,716
-Time Deposit	58,000	917,055
	2,237,567	7,147,915

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

Currency	Interest Rate (%)	Maturity	30 September 2024
TL	47.50	1 October 2024	58,000

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

Currency	Interest Rate (%)	Maturity	31 December 2023
TL	41.00	2 January 2024	917,055

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

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

NOTE 4 – FINANCIAL INSTRUMENTS

Financial Borrowings

Short-Term Financial Borrowings

	30 September 2024	31 December 2023
Short-term bank loans	27,072,880	15,036,802
Short-term portions of long-term borrowings	22,515,196	16,025,111
Lease liabilities	105,534	213,477
	49,693,610	31,275,390

Long-Term Financial Borrowings

	30 September 2024	31 December 2023
Long-term bank loans	40,296,609	57,251,164
Convertible bonds issued	3,547,704	-
Lease liabilities	141,735	237,338
	43,986,048	57,488,502
	93,679,658	88,763,892

a) Bank loans

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

Principal	30 September 2024			31 December 2023		
	Original Currency	Weighted average effective interest rate (%)	Original amount (*) TL	Weighted average effective interest rate (%)	Original amount (*) TL	TL
TL	23.28	-	3,861,360	26.38	-	12,163,870
US Dollar	8.48	819,385	28,008,619	8.48	400,887	16,062,297
Euro	6.15	1,445,748	55,285,701	6.73	1,328,587	58,902,456
			87,155,680			87,128,623
Interest accrues						
TL	-	-	1,371,679	-	-	386,863
US Dollar	-	15,634	534,416	-	3,382	135,516
Euro	-	21,520	822,910	-	14,934	662,075
			89,884,685			88,313,077

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

a) Bank loans (cont'd)

The repayment schedule of the bank loans as follows:

	<u>30 September 2024</u>	<u>31 December 2023</u>
Within 1 year	49,588,076	31,061,913
Within 1–2 years	8,348,825	17,944,021
Within 2–3 years	7,173,864	7,497,747
Within 3–4 years	6,916,292	7,360,324
Within 4–5 years	5,167,072	6,351,724
5 years and longer	12,690,556	18,097,348
	89,884,685	88,313,077

b) Lease liabilities

Distribution of lease liabilities	<u>30 September 2024</u>	<u>31 December 2023</u>
Short-term	105,534	213,477
Long-term	141,735	237,338
	247,269	450,815

Maturity distribution:	<u>30 September 2024</u>	<u>31 December 2023</u>
Within 1 year	105,534	213,477
Within 1–2 years	49,685	87,193
Within 2–3 years	51,783	58,202
Within 3–4 years	40,267	60,660
Within 4–5 years	-	31,283
	247,269	450,815

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

c) Issued Debt Instruments

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

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

c) Issued Debt Instruments (cont'd)

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

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

According to the Group's 6-month Consolidated Financial Statements for 2024, which were announced on the Public Disclosure Platform (KAP) on August 26, 2024, and which have undergone a limited independent audit, the trigger event determined for the conversion of the debt instrument into shares has occurred. In this context; at the Group's Board of Directors meeting dated September 2, 2024; it was decided to realize a conditional increase of issued capital from TL 43,280,113 to TL 43,815,615 for the redemption of the debt instrument and to allocate all of the new shares to be issued with a nominal value of TL 535,502 to the bondholder, Erdemoğlu Holding A.Ş., by restricting preemptive rights completely. An application was made to the Capital Markets Board on September 2, 2024 for the approval of the conditional capital increase and the amendment to the Articles of Association.

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

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

Conversion Price: TL 6,625

Conversion Rate: 15,094.34 lots

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

Currency	30 September 2024			31 December 2023		
	Interest rate (%)	Currency amount (*)	TL	Interest rate (%)	Currency amount (*)	TL
TL	49.17	-	3,547,704	-	-	-
			3,547,704			-

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 30 SEPTEMBER 2024

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

NOTE 4 – FINANCIAL INSTRUMENTS (cont'd)

Financial Borrowings (cont'd)

d) Reconciliation of the liabilities arising from financial activities

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

	<u>30 September 2024</u>	<u>31 December 2023</u>
Opening balance	88,763,892	58,542,841
Interest expense	4,970,590	9,730,103
Interest paid	(4,333,324)	(9,212,625)
Exchange rate difference	10,337,162	20,956,268
Capitalized borrowing costs (Note 10)	3,094,573	2,045,182
Payments for lease liabilities	(138,905)	(233,446)
Loans received	42,656,746	95,693,898
Repayments of loans	(30,170,674)	(57,160,585)
Cash inflows from debt instruments issued (Note 27)	3,547,704	-
Share conversions of issued debt instruments	-	(3,975,652)
Commission expenses	335,800	139,495
Paid commission	(335,800)	(139,495)
Monetary gain	(25,048,106)	(27,622,092)
Closing balance	93,679,658	88,763,892

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	<u>30 September 2024</u>	<u>31 December 2023</u>
Trade receivables (*)	7,165,770	11,039,518
Checks received (**)	3,798,292	3,491,594
Provision for doubtful receivables	(8,683)	(8,366)
	10,955,379	14,522,746
Receivables from related parties (Note 27)	340,175	95,607
	11,295,554	14,618,353

(*) As of 30 September 2024, trade receivables are discounted by using monthly 4.46% for TL, 0.70% for US Dollar, 0.65% 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 2,178,560 with maturities of less than three months (31 December 2023: TL 2,078,271).

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in TL based on the purchasing power of thousand Turkish Liras as of 30 September 2024, unless otherwise stated.)

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	30 September 2024	31 December 2023
Up to 1 month	1,188,605	1,175,287
1 - 3 months	841,563	296,345
More than 3 months	948,791	43,812
	2,978,959	1,515,444

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

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

Overdue period	30 September 2024	31 December 2023
Over 6 months	8,683	8,366
	8,683	8,366

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

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

	1 January – 30 September 2024	1 January – 30 September 2023
Balances as of 1 January	(10,567)	(14,906)
Provision for the period	(1,002)	-
Provision closed during the period	-	-
Monetary gain	2,886	4,959
Balances as of 30 September	(8,683)	(9,947)

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

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

	<u>30 September 2024</u>	<u>31 December 2023</u>
Trade payables (*)	11,992,487	11,744,623
	<u>11,992,487</u>	<u>11,744,623</u>

Trade Payables (Long-term)

	<u>30 September 2024</u>	<u>31 December 2023</u>
Trade payables (*)	1,709,125	-
	<u>1,709,125</u>	<u>-</u>

(*) As of 30 September 2024, trade payables are discounted by using monthly 4.46% for TL, 0.70% for USD, 0.65% for EUR (31 December 2023: 4.11% for TL, 0.72% for USD, 0.91% for EUR).

As of 30 September 2024, average turnover for trade receivables and trade payables are 34 days and 126 days, respectively (31 December 2023: 44 days and 108 days).

NOTE 6 – PAYABLES RELATED TO EMPLOYEE BENEFITS

	<u>30 September 2024</u>	<u>31 December 2023</u>
Social security premiums payable	113,266	155,838
Due to personnel	83,036	82,115
	<u>196,302</u>	<u>237,953</u>

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

	<u>30 September 2024</u>	<u>31 December 2023</u>
Deposits and guarantees given	401	336
Other receivables (*)	27,451	33,033
	<u>27,852</u>	<u>33,369</u>

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

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

Other Payables

	<u>30 September 2024</u>	<u>31 December 2023</u>
Taxes, duties and fees payable	177,530	349,421
Tax debts in installments	352	4,789
	<u>177,882</u>	<u>354,210</u>

Deferred Income

	<u>30 September 2024</u>	<u>31 December 2023</u>
Advances received for orders	2,515,527	3,587,726
Advances received for orders from related parties (Note 27)	640,272	489,184
	<u>3,155,799</u>	<u>4,076,910</u>

NOTE 8 – INVENTORIES

	<u>30 September 2024</u>	<u>31 December 2023</u>
Raw materials	6,535,322	4,557,378
Finished goods	5,012,376	5,374,040
Goods in transit (*)	2,816,144	4,962,402
Spare parts	246,397	312,019
Semi – finished goods	142,049	121,380
Other inventories	126,263	134,759
	<u>14,878,551</u>	<u>15,461,978</u>

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

NOTE 9 - PREPAID EXPENSES

Prepaid Expenses (Short-Term)

	<u>30 September 2024</u>	<u>31 December 2023</u>
Prepaid insurance expenses	537,636	592,870
Other prepaid expenses	591,548	238,768
	<u>1,129,184</u>	<u>831,638</u>

Prepaid Expenses (Long-Term)

	<u>30 September 2024</u>	<u>31 December 2023</u>
Given advances for fixed assets (*)	3,786,176	3,358,467
	<u>3,786,176</u>	<u>3,358,467</u>

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

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

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

	1 January 2024	Additions	Transfers	Revaluation	Disposals	30 September 2024
Cost						
Land	17,211,413	1,718,290	-	-	-	18,929,703
Land improvements	247,275	22,597	-	-	(170)	269,702
Buildings	5,125,689	26,108	(6,013)	-	(782)	5,145,002
Machinery, plant and equipment	34,105,164	84,682	6,013	-	(103,401)	34,092,458
Vehicles	155,461	100	-	-	(3)	155,558
Furniture and fixtures	423,105	15,703	-	-	(4,454)	434,354
Construction in progress (*)	70,293,326	23,448,288	-	-	-	93,741,614
	127,561,433	25,315,768	-	-	(108,810)	152,768,391
Accumulated depreciation						
Land improvements	176,535	4,001	-	-	(132)	180,404
Buildings	1,764,774	119,889	-	-	(782)	1,883,881
Machinery, plant and equipment	11,971,510	1,060,074	-	-	(73,651)	12,957,933
Vehicles	103,720	11,819	-	-	(3)	115,536
Furniture and fixtures	208,038	24,344	-	-	(1,290)	231,092
	14,224,577	1,220,127	-	-	(75,858)	15,368,846
Net book value	113,336,856					137,399,545

(*) During the period ended 30 September 2024, capitalized borrowing costs for construction in progress is amounting to TL 3,094,573 (31 December 2023: TL 2,045,182) (Note 4). As of 30 September 2024, the Group has pledges on property, plant and equipment amounting to TL 68,154,400 (31 December 2023: TL 76,377,913) (Note 13).

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

	1 January 2023	Additions	Transfers	Revaluation	Disposals	30 September 2023
Cost						
Land	17,340,609	375,754	-	652,905	-	18,369,268
Land improvements	247,154	-	6	-	-	247,160
Buildings	5,288,574	23,734	28	-	-	5,312,337
Machinery, plant and equipment	36,574,751	1,019,931	445,299	-	(1,338)	38,038,642
Vehicles	143,840	7,870	1,079	-	-	152,788
Furniture and fixtures	374,141	23,779	3,591	-	(1,969)	399,542
Construction in progress (*)	35,440,272	25,307,114	(450,003)	-	-	60,297,383
	95,409,341	26,758,182	-	652,905	(3,307)	122,817,120
Accumulated depreciation						
Land improvements	160,212	3,633	-	-	-	163,845
Buildings	1,515,134	122,617	-	-	-	1,637,751
Machinery, plant and equipment	10,239,955	1,238,057	-	-	(459)	11,477,553
Vehicles	67,020	15,128	-	-	-	82,148
Furniture and fixtures	138,756	29,342	-	-	(27)	168,072
	12,121,078	1,408,777	-	-	(486)	13,529,369
Net book value	83,288,263					109,287,751

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

Fair value measurement of the Group's freehold lands

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

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

There were no transfers between levels during the period.

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

	1 January – 30 September 2024	1 January – 30 September 2023
Opening balance	17,211,413	17,340,609
Additions	1,718,290	375,754
Fair value increase	-	652,905
-Recognized in equity	-	652,905
Closing balance	18,929,703	18,369,268

Income statement related to the total depreciation expense and amortization (tangible fixed assets and intangible assets) for the accounting periods ended on September 30, 2024 and 2023 their accounts are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023
Production cost (Note: 17)	1,215,649	1,395,297
General administrative expenses (Note: 18)	33,535	15,331
Marketing, selling and distribution expenses (Note: 18)	19,919	6,404
Research expenses (Note: 18)	6,152	518
	1,275,255	1,417,550

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NOTE 11 – INTANGIBLE ASSETS

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

	1 January 2024	Additions	30 September 2024
Cost			
Software and development costs	778,021	74,475	852,496
	778,021	74,475	852,496
Accumulated amortization			
Software and development costs	291,557	55,128	346,685
	291,557	55,128	346,685
Net book value	486,464		505,811
	1 January 2023	Additions	30 September 2023
Cost			
Software and development costs	295,600	10,070	305,670
	295,600	10,070	305,670
Accumulated amortization			
Software and development costs	265,978	8,773	274,751
	265,978	8,773	274,751
Net book value	29,622		39,919

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision for Litigation

	30 September 2024	31 December 2023
Provision for litigation (*)	13,135	8,713
	13,135	8,713

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

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

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

	1 January – 30 September 2024	1 January – 30 September 2023
Balances as of 1 January	8,713	5,572
Provision for the period	7,829	2,579
Provision written-off within the period	(302)	(223)
Monetary gain/loss	(3,105)	785
Balances at 30 September	13,135	8,713

NOTE 13 – COMMITMENTS

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

Commitments based on export incentive certificates

	30 September 2024	31 December 2023
Total amount of export commitment of certificates	81,535,037	106,538,612
Total amount of export commitment of documents which are presently fulfilled but closing transactions are not concluded yet	12,895,060	35,348,381
Total export commitment of open documents registered in the document	68,639,998	71,190,231
Open export incentives	47,213,031	46,498,937
	30 September 2024	31 December 2023
Open Letter of Credits	6,040,698	7,786,676

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

	30 September 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 (*)	78,585,757	4,854,832	84,592	1,852,484	84,130,471	5,747,208	42,218	1,729,837
B. Total CPMs Given on Behalf of Fully Consolidated Companies	-	-	-	-	-	-	-	-
C. CPMs Given in the Normal Course of Business Activities on Behalf of Third Parties	-	-	-	-	-	-	-	-
D. Total Amount of Other CPMs								
- Total Amount of CPMs Given on Behalf of the Parent	-	-	-	-	-	-	-	-
- Total Amount of CPMs Given to on Behalf of Other Group Companies Which are Not in Scope of B and C	-	-	-	-	-	-	-	-
- Total Amount of CPMs Given to on Behalf of Third Parties Which are Not in Scope of C	-	-	-	-	-	-	-	-
Total CPM	78,585,757	4,854,832	84,592	1,852,484	84,130,471	5,747,208	42,218	1,729,837

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

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NOTE 13 – COMMITMENTS (cont'd)

Collaterals mainly consist of guarantees given to suppliers in relation to bank loans used for investments. In addition, there is a pledge of machinery amounting to TL 68,154,400 (31 December 2023: TL 76,377,913).

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

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

	30 September 2024	31 December 2023
Letters of guarantee received	2,409,490	4,110,254
	2,409,490	4,110,254

NOTE 14 - PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for long-term employee benefits

	30 September 2024	31 December 2023
Provision for employee termination benefits	215,930	169,862
Accumulated provision for unused vacation	33,276	34,942
	249,206	204,804

Accumulated provision for unused vacation

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

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

	1 January – 30 September 2024	1 January – 30 September 2023
Balances as of 1 January	34,942	40,198
Provision for the period	37,809	29,927
Provision released during the period	(30,252)	(19,382)
Monetary gain / loss	(9,223)	(15,801)
Balances at 30 September	33,276	34,942

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

Provision for Employee Termination Benefits

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

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

The 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.

	30 September 2024	30 September 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 41.83 (1 January 2023: TL 19.98), which is expected to be effective from 1 January 2024, has been taken into consideration in calculating the provision for employment termination benefits of the Group:

	1 January – 30 September 2024	1 January – 30 September 2023
Balances at 1 January	204,804	336,475
Provision for the period	153,479	167,833
Payment within the period	(62,576)	(222,697)
Monetary gain / loss	(50,439)	(111,749)
Balances at 30 September	215,930	169,862

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NOTE 15 - OTHER ASSETS AND LIABILITIES

Other Current Assets

	30 September 2024	31 December 2023
VAT return receivables from export and domestic market sales (*)	1,051,801	693,132
VAT carried forward	170,864	318,271
	1,222,665	1,011,403

(*) As of 30 September 2024, the Group has completed the application process for TL 612,685 of the VAT receivable amounting to TL 1,051,801 and as of the report publication date, TL 403,942 of the refund application has been collected (31 December 2023: TL 317,899).

NOTE 16 – EQUITY

Sasa Polyester Sanayi A.Ş fully paid and issued capital each Kr 1 nominal value of 4,328,011,294,500 shares (31 December 2023: 532,165,379,410). The shareholders and shareholding structure of the Group as of 30 September 2024 and 31 December 2023 are as follows.

	30 September 2024		31 December 2023	
	Share amount	Share percentage	Share amount	Share percentage
Erdemoğlu Holding A.Ş.	24,256,750	56,05	2,938,234	55,21
Erdemoğlu Global Gayrimenkul A.Ş.	8,817,529	20,37	-	-
Merinos Halı San. ve Tic. A.Ş.	-	-	1,102,191	20,71
Other	10,205,834	23,58	1,281,229	24,08
Share Capital	43,280,113	100.00	5,321,654	100.00
Adjustments to share capital	5,408,478		14,349,066	
Total	48,688,591		19,670,720	

In accordance with the decision of the Board of Directors dated June 6, 2024, the Company's issued capital of TL 5,410,014 was increased to TL 43,280,113 by TL 37,870,099 to be fully covered from internal resources, and the transactions of 700% bonus-issue were completed by the registration of the amendment to the Articles of Association on August 23, 2024.

All of the SASA shares with a total nominal amount of TRY 8,817,529,154.40 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 September 2024.

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NOTE 16 – EQUITY (cont'd)

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

	30 September 2024	31 December 2023
Paid-in Capital	43,280,113	5,321,654
Adjustments to Capital (*)	5,408,478	14,349,066
Repurchased Shares (**)	(26,841)	(1,943)
Restricted Reserves Appropriated from Profit	17,410,154	1,518,306
Share Premiums	10,126,122	5,391,566
Prior Years' Profits	9,653,011	32,395,797
Defined Benefit Plans Remeasurement Losses	(52,797)	(30,794)
Gain on Revaluation of Property, Plant and Equipment	5,797,202	5,797,202
Net Profit for the Period	17,288,319	24,715,871
Total equity	108,883,761	89,456,725

(*) 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.

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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. A minimum distribution rate has been determined as 50% of profit available for distribution according to dated 2013 Ordinary General Assembly decision which occurred on 24 March 2014.

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

Resources that can be Subject to Profit Distribution:

As of the reporting date, the Group has not profit for the period in its statutory records which can be subject to profit distribution.

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

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NOTE 17 - REVENUE AND COST OF SALES

The Group fulfills its performance obligations at a certain time by transferring products. The amount that the Group will be entitled to recognize in the future from the remaining performance obligations is TL 3,155,799 (31 December 2023: TL 4,076,910) (Note 7). The Group expects to record this revenue as revenue in its financial statements within one year.

Revenue

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Polyester Chips (SPC)	13,207,140	4,388,223	16,564,547	5,713,466
<i>Domestic</i>	8,401,779	2,599,266	11,561,046	4,171,256
<i>Foreign</i>	4,805,361	1,788,957	5,003,501	1,542,210
Polyester Fiber	12,483,842	4,168,959	15,933,726	5,930,859
<i>Domestic</i>	7,334,776	2,286,236	11,330,016	4,418,155
<i>Foreign</i>	5,149,066	1,882,723	4,603,710	1,512,704
Polyester Yarn (Filament)	5,832,650	1,718,379	8,052,400	2,870,351
<i>Domestic</i>	5,802,221	1,714,609	8,027,907	2,860,903
<i>Foreign</i>	30,429	3,769	24,493	9,448
Poy (Filament)	3,711,996	755,408	7,572,724	2,761,466
<i>Domestic</i>	3,692,985	742,515	7,517,292	2,763,803
<i>Foreign</i>	19,011	12,893	55,432	(2,336)
Other	354,509	35,642	1,086,057	464,626
<i>Domestic</i>	69,400	30,420	137,954	26,932
<i>Foreign</i>	285,109	5,222	948,103	874,652
Revenue	35,590,137	11,066,611	49,209,454	17,740,768

Cost of Sales

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Raw materials expense	22,757,458	8,114,630	33,218,840	10,503,368
Labour expenses	1,642,084	505,338	2,273,907	724,442
Energy expenses	1,456,653	531,040	3,434,018	1,012,484
Depreciation and amortization expenses (Note 10 - 11)	797,578	373,233	1,372,056	582,161
Spare parts and maintenance expenses	295,092	83,698	456,570	169,638
Insurance expenses	311,379	130,893	288,474	218,181
Usage of semi-finished goods	8,871	(13,321)	(54,754)	13,026
Other expenses	444,208	142,249	825,493	443,514
Production Cost for the Period	27,713,323	9,867,760	41,814,603	13,666,814
Change in finished good inventory during the period	(320,037)	(1,086,596)	420,096	865,717
Cost of waste goods sold	85,683	40,836	123,322	34,793
Other idle period expense	441,377	71,966	165,687	41,074
Depreciation and amortization for the idle period (Note 10-11)	418,071	36,218	23,241	4,515
Cost of Goods Sold During the Period	28,338,417	8,930,184	42,546,950	14,612,913

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

General Administrative Expenses

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Personnel expenses	207,059	83,313	242,529	72,479
Severance and notice pay	114,381	25,500	22,415	5,988
Insurance expenses	65,199	19,663	46,118	26,790
Consultancy expenses	35,857	3,366	64,751	28,818
Depreciation and amortization expenses (Note 10-11)	33,535	10,587	15,331	5,095
Supplies, repair and maintenance expenses	25,252	6,184	55,821	28,228
Assisted services expenses	12,414	2,601	10,917	2,848
Provision for litigation (Note 12)	7,829	4,505	2,578	1,737
Energy expenses	2,484	710	3,334	1,510
Other expenses	4,131	176	62,404	7,264
	508,141	156,605	526,198	180,757

Marketing Expenses

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Export and freight expenses	1,109,125	385,417	1,098,095	356,715
Personnel expenses	101,644	31,153	107,151	31,434
Insurance expenses	35,938	10,967	80,222	8,948
Depreciation and amortization expenses (Note 10-11)	19,919	6,973	6,404	1,834
Taxes and duties expenses	14,962	55	76,334	61,900
Other expenses	63,329	13,254	52,035	15,696
	1,344,917	447,819	1,420,241	476,527

Research and Development Expenses

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Depreciation and amortization expenses (Note 10-11)	6,152	2,269	518	155
Labour and personnel expenses	1,860	81	1,887	291
Other expenses	1,714	590	2,118	720
	9,726	2,940	4,523	1,166

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NOTE 19 - OTHER INCOME / EXPENSE FROM OPERATING ACTIVITIES

Other Operating Income

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Foreign exchange income on trade receivables/payables	8,180,123	1,485,144	15,009,785	2,093,712
Income on miscellaneous sales	86,914	24,923	69,595	33,536
Raw materials sales income	24,551	-	82,843	16,338
Profits from insurance events	4,419	3,271	505,619	7,955
Other income (*)	755,434	239,646	1,136,955	605,695
	9,051,441	1,752,984	16,804,797	2,757,236

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

Other Operating Expenses

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Foreign exchange losses on trade receivables/payables	8,516,029	2,022,370	16,950,780	2,688,050
Taxes, duties and charges	137,551	111,944	65,404	8,924
Cost of miscellaneous sales	31,494	12,027	31,000	10,073
Other expenses	654,963	35,946	366,404	37,407
	9,340,037	2,182,287	17,413,588	2,744,454

NOTE 20 – EXPENSES BY NATURE

	1 January- 30 September 2024	1 January- 30 September 2023
Direct raw materials expense	22,757,458	33,218,840
Labour and personnel expenses	1,952,647	2,635,473
Energy expenses	1,459,137	3,436,665
Depreciation and amortization expenses (Note 10-11)	1,275,255	1,417,550
Export and freight costs	1,109,125	1,148,095
Other idle period expense	441,377	165,687
Insurance expenses	412,516	364,815
Spare parts and maintenance expenses	295,092	456,570
Severance and notice pay	114,381	22,415
Cost of waste goods sold	85,683	123,322
Consultancy expenses	35,857	64,751
Material maintenance and repair expenses	25,252	55,821
Taxes and duties expenses	14,962	76,334
Auxiliary service expenses	12,414	10,917
Usage of semi-finished goods	8,871	(54,754)
Litigation provision	7,829	2,578
Usage of finished goods in the period	(320,037)	420,096
Other expenses	513,382	932,737
	30,201,201	44,497,912

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NOTE 21 - INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Gain on sale of property, plant and equipment (*)	7,443	1,889	4,009	753
Loss on sale of property, plant and equipment (*)	(31,459)	(30,005)	(169)	(44)
	(24,016)	(28,116)	3,840	709

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

Note 22- FINANCIAL INCOME

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Foreign exchange income	600,379	130,678	2,782,598	681,913
Interest expenses	58,890	8,068	308,456	136,161
	659,269	138,746	3,091,054	818,074

NOTE 23 – FINANCIAL EXPENSES

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Foreign exchange expenses	10,337,162	5,164,094	20,151,915	130,042
Interest expenses	4,970,590	1,719,381	6,075,766	3,178,009
Commission and other bank cost expenses	356,682	113,758	936,864	111,426
	15,664,434	6,997,233	27,164,545	3,419,477

NOTE 24 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

	30 September 2024	31 December 2023
Property, plant and equipment revaluation fund	5,797,202	5,797,202
Defined benefit plans remeasurement gain	(52,797)	(30,794)
	5,744,405	5,766,408

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

Property, plant and equipment revaluation fund

	1 January- 30 September 2024	1 January- 31 December 2023
Balances at the beginning of the period	5,797,202	-
Increase in value due to revaluation of property, plant and equipment (Note 10)	-	530,486
Balances at the end of the period	5,797,202	530,486

Gain on remeasurement of defined benefit plans

	1 January- 30 September 2024	1 January- 31 December 2023
Balances at the beginning of the period	(30,794)	(20,563)
Defined benefit plans accumulated remeasurement losses (Note 14)	(22,003)	-
Balances at the end of the period	(52,797)	(20,563)

NOTE 25 - TAX ASSETS AND LIABILITIES

Deferred Taxes

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

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

	Cumulative temporary difference		Deferred tax asset /(liability)	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Net difference between recorded value of property, plant and equipment and intangible assets and tax value	11,371,325	35,481,195	2,842,831	8,869,793
Property, plant and equipment revaluation difference	(4,391,899)	(7,729,603)	(1,097,975)	(1,932,401)
Investment incentives deduction to be used (*)	49,023,851	42,939,436	49,023,851	42,939,436
Provision for employment termination benefits	215,930	169,862	53,983	42,466
Valuation differences of inventories	79,392	(19,836)	19,848	(4,959)
Adjustment for advances given and received, net	(121,891)	(158,039)	(30,473)	(39,509)
Adjustment of periodicity of sales	34,384	38,990	8,596	9,748
Provision for unused vacation	33,276	34,942	8,319	8,736
Provision for litigation	13,135	8,713	3,284	2,178
Provision for doubtful receivables	8,683	8,366	2,171	2,092
Provision for export expense	28,531	32,178	7,133	8,044
Adjustments for foreign currency exchange difference	2,184,088	148,973	546,022	37,243
Deferred tax assets	-	-	52,516,038	51,919,737
Deferred tax liabilities	-	-	(1,128,448)	(1,976,869)
Deferred tax asset, net			51,387,590	49,942,867

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

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

Deferred Taxes (cont'd)

Table of deferred tax movement

	30 September 2024	31 December 2023
Sasa Polyester San. A.Ş.	51,374,652	49,922,982
Sasa Dış Ticaret A.Ş.	12,938	19,885
	51,387,590	49,942,867

Movement table of deferred tax is as follows:

	1 January - 31 September 2024	1 January - 31 September 2023
Balances at 1 January	49,942,867	24,559,438
Deferred tax expense for the period	(4,647,027)	(14,217,316)
Deferred tax income from incentive certificate	6,084,415	16,955,363
Deferred in other comprehensive income tax income / (expense)	7,335	(122,419)
Balances at 30 September	51,387,590	27,175,066

Reconciliation of tax provision

	1 January – 30 September 2024	1 January – 30 September 2023
Profit / (loss) before tax from operating activities	15,850,931	6,050,925
Income tax rate: 25% (2023: 25%)	(3,962,733)	(1,512,731)
Tax effects:		
-Non-deductible expenses	(213,689)	(446,067)
-Effects of reduced corporate tax application	6,084,415	16,955,363
-Other adjustments and monetary gain / (loss)	(470,605)	(12,258,518)
Tax provision income in the income statement	1,437,388	2,738,047

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

Corporate Tax

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

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

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

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

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

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

Corporate Tax (cont'd)

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

Government Grants and Incentives

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

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

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

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

The amount of investment subject to incentive has reached to TL 47,964,829 (December 31, 2023: TL 43,206,800) as of the report date after the revisions made and the incentive elements benefited by the investment are as follows.

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

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

The amount of investment subject to incentive has reached to TL 8,944,986 (December 31, 2023: TL 8,739,108) as of the report date after the revisions made and the incentive elements benefited by the investment are as follows.

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

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

Corporate Tax (cont'd)

Government Grants and Incentives (cont'd)

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

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

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

As of 30 September 2024, the Group has TL 49,023,851 tax deduction right to be used in the following periods (December 31, 2023: TL 42,939,436).

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 51,387,590 that can be deducted from future profits. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions.

The main factors which are considered include future earnings potential and other tax assets expiring; the carry-forward period associated with the deferred tax assets and tax-planning strategies that would, if necessary, be implemented. As of 30 September 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 19% was used in the prepared profit projections. The 2024 year-end exchange rate expectation is 37% and the long-term exchange rate increase expectation is 8% - 10% (in USD basis).
- Possible tax planning strategies have been considered.

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

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NOTE 26 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statement of profit or loss are determined by dividing net income by the weighted average number of shares in existence during the year concerned. In Turkey, 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.

	1 January- 30 September 2024	1 January- 30 September 2023
Net profit	17,288,319	8,788,972
<i>Weighted average number of shares:</i>		
Weighted average number of ordinary shares	43,280,112,945	43,280,112,945
Earnings per share with a nominal value of 1 TL (full TL)	0.3995	0.2031
Earnings per share from continuing operations		

NOTE 27 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties:

Trade receivables from related parties are comprised of trade receivables for product.

	30 September 2024	31 December 2023
Özerdem Mensucat San. Tic. A.Ş. (Note 5)	339,787	95,607
Akal İplik Tekstil San Tic. A.Ş.	388	-
	340,175	95,607

b) Deferred income from related parties:

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

	30 September 2024	31 December 2023
Merinos Halı San. Tic. A.Ş.	347,453	269,313
Zeki Mensucat Sanayi ve Tic. A.Ş.	292,819	219,871
	640,272	489,184

c) Other payables to related parties:

	30 September 2024	31 December 2023
Erdemoğlu Holding A.Ş. (*)	2,545,353	11,239,672
Merinos Halı San. Tic. A.Ş.	1,267,887	-
	3,813,240	11,239,672

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

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NOT 27 - RELATED PARTY DISCLOSURES (cont'd)

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

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

d) Sales to related parties:

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

	1 January – 30 September 2024	1 July – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2023
	Product	Product	Product	Product
Merinos Halı San. Tic. A.Ş.	1,616,246	525,473	1,807,572	954,669
Özerdem Mensucat San. Tic. A.Ş.	1,138,936	522,346	1,305,850	133,042
Zeki Mensucat Sanayi ve Tic. A.Ş.	865,184	148,795	1,143,781	334,532
Akal İplik Tekstil San Tic. A.Ş.	679	679	-	-
	3,620,366	1,196,614	4,257,203	1,422,243

e) Purchases from related parties:

	1 January – 30 September 2024	1 July – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2023
	Product	Product	Product	Product
Erdemoğlu Holding A.Ş.	144,196	63,018	554,632	433,451
Merinos Halı San. Tic. A.Ş.	555	94	641	92
	144,751	63,112	555,273	433,543

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

	1 January – 30 September 2024	1 July – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2023
Özerdem Mensucat San. Tic. A.Ş.	17,651	6,821	-	-
Merinos Halı San. Tic. A.Ş.	5,884	1,340	21,616	11,523
Zeki Mensucat San. Tic. A.Ş.	3,150	2,759	8,516	7,703
Akal İplik Tekstil San Tic. A.Ş.	4	4	-	-
	26,689	10,924	30,132	19,226

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

NOT 27 - RELATED PARTY DISCLOSURES (cont'd)

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

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

	1 January – 30 September 2024	1 July – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2023
Short-term benefits provided to key management	44,187	13,143	41,278	13,177
	44,187	13,143	41,278	13,177

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

Financial Risk Management

Financial risk factors

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

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

Foreign exchange risk management

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

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

	30 September 2024		
	TL Equivalent	US Dollar	Euro
Trade receivables	6,983,929	150,588	48,024
Monetary financial assets (Including cash and banks))	291,014	3,839	4,187
Other	3,277,930	91,077	4,307
Total assets	10,552,873	245,494	56,519
Trade payables (including other payables)	10,235,187	221,270	69,864
Financial liabilities	46,237,743	604,024	669,209
Other	2,946,771	61,212	22,343
Current liabilities	59,419,701	886,506	761,416
Trade payables (including other payables)	1,709,125	50,000	-
Financial liabilities	38,661,183	230,995	804,525
Other	3,813,241	111,555	-
Non-current liabilities	44,183,549	392,550	804,525
Total liabilities	103,603,250	1,279,056	1,565,941
Net foreign currency position	(93,050,377)	(1,033,562)	(1,509,423)

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2024

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

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

Financial Risk Management (continued)

Foreign exchange risk management(cont'd)

	31 December 2023		
	TL Equivalent	US Dollar	Euro
Trade receivables	7,892,608	128,169	62,192
Monetary financial assets (Including cash and banks))	5,074,758	114,796	10,719
Other	2,250,368	44,195	10,818
Current assets	15,217,734	287,160	83,729
Total assets	15,217,734	287,160	83,729
Trade payables (including other payables)	5,311,196	106,577	23,480
Financial liabilities	25,528,232	114,242	472,561
Other	1,818,999	28,411	15,353
Current liabilities	32,658,427	249,230	511,394
Financial liabilities	50,685,107	290,027	881,128
Non-current liabilities	50,685,107	290,027	881,128
Total liabilities	83,343,534	539,257	1,392,522
Net foreign currency position	(68.125.800)	(252,097)	(1,308,793)

(*) Between January 1, 2024 - September 30, 2024, imports amounting to USD 759 Million (2023: USD 1,346 Million) and exports amounting to USD 232 Million (2023: USD 340 Million), of which USD 114 Million (2023: USD 404 Million) is within the scope of ongoing investments.

Foreign currency sensitivity

As of 30 September 2024;	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
20% change in US Dollar/TL parity:		
US Dollar net asset	(7,065,950)	7,065,950
US Dollar net hedged amount	-	-
US Dollar Net Effect	(7,065,950)	7,065,950
20% change in EUR/TL parity:		
EUR net asset	(11,544,126)	11,544,126
EUR net hedged amount	-	-
EUR Net Effect	(11,544,126)	11,544,126
Total	(18,610,076)	18,610,076

SASA POLYESTER SANAYİ A.Ş. AND ITS SUBSIDIARIES

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

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

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

Financial Risk Management(cont'd)

Foreign currency sensitivity(cont'd)

As of 31 December 2023;	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
20% change in US Dollar/TL parity:		
US Dollar net asset	(2,020,159)	(2,020,159)
US Dollar net hedged amount	-	-
US Dollar Net Effect	(2,020,159)	(2,020,159)
20% change in EUR/TL parity:		
EUR net asset	(11,605,003)	11,605,003
EUR net hedged amount	-	-
EUR Net Effect	(11,605,003)	11,605,003
Total	(13,625,162)	13,625,162

NOTE 29 - EVENTS AFTER THE BALANCE SHEET DATE

None.