YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş. AND SUBSIDIARIES

31 MARCH 2024 DATE AS OF AND SAME CONSOLIDATED FINANCIAL FOR THE THREE-MONTH PERIOD ENDED DATE TABLES

YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş. VE BAĞLI ORTAKLIKLARI

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	Footnote references	**Current period (Independent From audit not passed) March 31, 2024**	**Past period (Independent From audit Past) December 31, 2023**
assets			
Total current assets		**1,545,479,469**	**1,649,437,403**
Cash and cash equivalents	4	424.131.624	550,530,695
Financial investments	5	18,702,895	20,736,042
Commercial debts	7	376,702,628	430,860,391
- Trade receivables from non-related parties		*376,702,628*	*430,860,391*
Other receivables	8	5,735,374	4,562,105
- Other receivables from unrelated parties	*8*	*5,735,374*	*4,562,105*
Stocks	9	650,411,430	588,384,081
Prepaid expenses	10	55,131,155	48,645,758
Other current assets	17	14,664,363	5,718,331
- Other current assets from unrelated parties	*17*	*14,664,363*	*5,718,331*
Total fixed assets		**2,381,731,507**	**2,424,733,823**
Financial investments	5	357,325	411,151
Tangible fixed assets	11th	2,272,017,151	2,284,218,529
Right of use assets	11.1	10,729,494	16,985,850
intangible assets	11.2	98,033,916	122,452,305
Prepaid expenses	10	593,621	665,988
- Prepaid expenses to non-related parties	*10*	*593,621*	*665,988*
Total assets		**3,927,210,976**	**4,074,171,226**

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

31 MART 2024 TARİHİ İTİBARIYLA KONSOLİDE FİNANSAL DURUM TABLOSU

(Tutarlar, aksi belirtilmedikçe Türk Lirası'nın ("TL"), 31 Mart 2024 tarihi itibarıyla satın alma gücü esasına göre TL olarak ifade edilmiştir)

	Footnote references	**Current period (Independent Unaudited) March 31, 2024**	**Past period (Independent Audited) December 31, 2023**
resources			
Total short-term liabilities		**708,024,712**	**859,675,785**
Short term borrowings	13	221,974,809	288,574,410
- Short-term borrowings from unrelated parties		*221,974,809*	*288,574,410*
- Bank credits	*13*	*206,367,345*	*270,326,097*
- Debts from rental transactions	*13*	*7,346,526*	*11,124,065*
- Other short-term borrowings	*13*	*8,260,938*	*7,124,248*
Trade payables	7	335,254,982	360,281,169
Trade payables to non-related parties	7	335,254,982	*360,281,169*
Liabilities within the scope of employee benefits	16	57,855,166	64,668,827
Short term provisions	17	14,277,404	23,582,718
- Short-term employee benefits provisions	*17*	*6,228,095*	*14,465,714*
- Other provisions	*17*	*8,049,309*	*9,117,004*
derivative instruments		289,988	*218,682*
- Derivative instruments for hedging purposes		*289,988*	*218,682*
Deferred revenues (excluding obligations arising from customer contracts)	8	56,593,558	97,024,436
- Deferred revenues from unrelated parties	*8*	*56,593,558*	*97,024,436*
Other short-term liabilities	17	1,220,756	705,343
- Other short-term liabilities to unrelated parties	*17*	*1,220,756*	*705,343*
Period profit tax liability	24	20,558,049	24,620,200
Total long-term liabilities		**258,585,211**	**291,777,788**
Long term borrowings	13	48,539,889	54,868,234
- Long-term borrowings from unrelated parties	*13*	*48,539,889*	*54,868,234*
- Bank credits	*13*	*44,544,545*	*51,496,201*
- Debts from rental transactions	*13*	*3,995,344*	*3,372,033*
Long term provisions	16	97,619,708	97,066,287
- Long-term management of employee benefits provisions	*16*	*97,619,708*	*97,066,287*
Deferred tax liability	24	112,425,614	139,843,267
Total shareholders' equity		**2,960,601,053**	**2,922,717,653**
Paid-in capital	18	60,000,000	60,000,000
Capital adjustment differences	18	1,065,892,418	1,065,892,418
Accumulated other comprehensive income/(expense) that will not be reclassified to profit and loss	18	1,362,791,200	1,371,833,504
- Defined benefit plans remeasurement gains/losses	18	(172,005,629)	(162,963,325)
- Tangible asset revaluation and measurement earnings	18	1,534,796,829	1,534,796,829
Other accumulated assets to be reclassified to profit and loss comprehensive income/(expense)	18	24,353,784	21,514,784
- Foreign currency conversion differences	18	*24,353,784*	*21,514,784*
Restricted reserves allocated from profit	18	471,460,382	471,460,382
Previous year's profits (losses)		(67,983,435)	(694,209,011)
Net profit for the period	25	44,086,704	626,225,576
Total resources		**3,927,210,976**	**4,074,171,226**

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

		Current period	Past period
		(Not independently audited)	**(Not independently audited)**
	Footnote references	**January 1, 2024 March 31, 2024**	**January 1, 2023 March 31, 2023**
Revenues	19	353,358,710	683,367,601
Cost of sales	19	(297,314,751)	(566,287,572)
Gross profit from business activities		**56,043,959**	**117,080,029**
General and administrative expenses	20	(14,162,313)	(18,648,389)
Marketing expenses	20	(50,171,721)	(42,943,947)
Research and development expenses	20	(2,593,664)	(4,475,348)
Impairment gain/(loss) on trade receivables		(69,253)	931,070
Other income from main activities	21	30,776,975	45,950,006
Other expenses from main activities	21	(21,277,606)	(23,298,423)
Main activity (loss) / profit		**(1,453,623)**	**74,594,998**
Income from investment activities	21	773,572	276,799
Financial income/(expenses)	23	26,603,598	(3,708,674)
Net monetary (loss) / gain		(6,993,920)	(26,888,603)
Continuing operations profit before tax		**18,929,627**	**44,274,520**
Continuing operations tax expense	24	**25,157,077**	**(27,497,099)**
Period tax (expense) income	24	--	(29,961,081)
Deferred tax (expense) income	24	25,157,077	2,463,982
Continuing operations profit for the period		**44,086,704**	**16,777,421**
Profit for the period		**44,086,704**	**16,777,421**
Distribution of period profit			
Parent partnership shares		**44,086,704**	**16,777,421**
Earnings per share	25	**0.0073**	**0.0028**

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

	Footnote References	Current period (Independent Unaudited) January 1, 2024 March 31, 2024	Past period (Independent Unaudited) January 1, 2023 March 31, 2023
Profit (loss) for the period		**44,086,704**	**16,777,421**
Other comprehensive income			
Not to be reclassified to profit or loss		**(9,042,304)**	**1,378,366,219**
Defined benefit plan remeasurement losses	**16**	(11,302,880)	(11,635,899)
Tangible asset revaluation and measurement gains	**18**	--	1,734,593,673
Again in profit or loss taxes on other comprehensive income that will not be classified		**2,260,576**	**(344,591,555)**
-Deferred tax income	**24**	2,260,576	(344,591,555)
They will be reclassified as profit or loss		**2,839,000**	**12,205,322**
Foreign currency conversion differences	**18**	**2,839,000**	**12,205,322**
-Gains (losses) from foreign currency translation differences		2,839,000	12,205,322
Other comprehensive income (expense)		**(6,203,304)**	**1,390,571,541**
Total comprehensive income / (expense)		**37,883,400**	**1,407,348,962**
Distribution of total comprehensive income			
Parent partnership shares		**37,883,400**	**1,407,348,962**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE ACCOUNTING PERIOD ENDING 31 MARCH 2024

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of March 31, 2024, unless otherwise stated.)

				Accumulated other comprehensive income or expenses that will not be reclassified to profit and loss		snow and in loss again will be classified accumulated other comprehensive they come or expenses				
	Paid Capital	Capital correction differences	Share issuance premiums / discounts	Tangible asset revaluation and measurement gains	Defined benefit plans remeasurement gains/(losses)	foreign currency conversion differences	separated from the snow restricted reserves	Past years profits	Net period profit (loss)	Equity
January 1, 2023	**29,160,000**	**1,094,839,023**	**1,746,702**	**--**	**(137,241,060)**	**20,349,586**	**143,151,332**	**(744,982,079)**	**624,610,372**	**1,031,633,876**
Transfers	--	--	--	--	--	--	--	624,610,372	(624,610,372)	--
Total comprehensive income	--	--	--	1,387,674,938	(9,308,719)	12,205,322	--	--	16,777,422	1,407,348,963
Profit for the period	--	--	--	--	--	--	--	--	*16,777,422*	*16,777,422*
Other Comprehensive income	--	--	--	*1,387,674,938*	*(9,308,719)*	*12,205,322*	--	--	--	*1,390,571,541*
End of period balances 31 March 2023	**29,160,000**	**1,094,839,023**	**1,746,702**	**1,387,674,938**	**(146,549,779)**	**32,554,909**	**143,151,332**	**(120,371,707)**	**16,777,422**	**2,438,982,839**
Balances at the beginning of the period January 1, 2024	**60,000,000**	**1,065,892,418**	**--**	**1,534,796,829**	**(162,963,325)**	**21,514,784**	**471,460,382**	**(694,209,011)**	**626,225,576**	**2,922,717,653**
Transfers	--	--	--	--	--	--	--	626,225,576	(626,225,576)	--
Total comprehensive income	--	--	--	--	(9,042,304)	2,839,000	--	--	44,086,704	37,883,400
Profit for the period	--	--	--	--	--	--	--	--	*44,086,704*	*44,086,704*
Other Comprehensive income	--	--	--	--	*(9,042,304)*	*2,839,000*	--	--	--	*18,206,157*
End of period balances 31 March 2024	**60,000,000**	**1,065,892,418**	**--**	**1,534,796,829**	**(172,005,629)**	**24,353,784**	**471,460,382**	**(67,983,435)**	**44,086,704**	**2,960,601,053**

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

YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş. VE BAĞLI ORTAKLIKLARI
31 MART 2024 TARİHİNDE SONA EREN HESAP DÖNEMİNE AİT KONSOLİDE NAKİT AKIŞ TABLOSU

(Tutarlar, aksi belirtilmedikçe Türk Lirası'nın ("TL"), 31 Mart 2024 tarihi itibarıyla satın alma gücü esasına göre TL olarak ifade edilmistir.)

	Footnote references	Current period (Not Independently Audited) March 31, 2024	Past period (Not Independently Audited) March 31, 2023
Cash flows from operating activities			
Profit for the period	25	44,086,704	16,777,421
Adjustments regarding period net profit (loss) reconciliation			
Adjustments for depreciation and amortization expense	22	51,750,205	138,637,488
Adjustments regarding stock impairment (cancellation)	9	2,180,715	2,094,674
Adjustments regarding provisions (cancellation) for employee benefits	16,17	9,274,444	11,637,680
Adjustments regarding dividend income	23	(42,200,429)	(7,689,998)
Adjustments regarding dividend / interest expenses	23	10,294,891	6,593,442
Adjustments regarding tax (income) expense	24	(25,157,077)	27,497,099
Adjustments for losses (gains) from the disposal of property, plant and equipment	21	--	377,592
Adjustments for unrealized foreign currency translation differences		11,882,370	(1,716,130)
Adjustments regarding impairment (cancellation) in receivables	7	(69,254)	(931,070)
Corrections regarding lawsuit and/or penalty provisions (cancellation)	17	197,092	555,736
Other corrections regarding Profit (Loss) reconciliation		--	(495,511)
Monetary gain / (loss)		(19,708,984)	232,393,859
Cash flow from activities before changes in working capital		**42,530,677**	**425,732,281**
Adjustments regarding decrease (increase) in trade receivables		54,032,954	(40,808,464)
Adjustments for decreases (increases) in stocks		(64,208,064)	(175,954,229)
Decrease (increase) in prepaid expenses		(6,413,030)	(10,547,576)
Adjustments regarding the increase (decrease) in commercial payables		(25,026,187)	181,879,053
(Increase) / decrease in other assets related to activities		(9,972,545)	(5,672,820)
Increase (decrease) in liabilities within the scope of employee benefits		(6,813,661)	63,891,333
Increase (decrease) in deferred revenues (other than obligations arising from customer contracts)		(40,430,878)	7,303,343
Cash flows from operations		**(56,300,734)**	**445,822,921**
Payments made within the scope of provisions for benefits provided to employees	16	(9,867,983)	(77,753,472)
Collected doubtful receivables	7		
Tax refunds (payments)		(4,062,151)	(527,906)
Cash flows obtained/(used) from operating activities		**(70,230,868)**	**367,541,543**
Cash flows related to investing activities			
Cash outflows from purchases of intangible assets	11.2	(3,629,817)	(24,717,516)
Cash outflows from purchases of tangible fixed assets	11th	(76,265)	(22,338,372)
Cash inflows from the sale of property, plant and equipment		--	1,530,799
Cash inflows/outflows from financial investments		2,086,973	(5,542,916)
Cash flows used from investing activities		**(1,619,109)**	**(51,068,005)**
Cash flows related to financing activities			
Cash inflows from loans	13	27,481,818	50,548,612
Cash outflows related to loan repayments	13	(60,000,000)	(6,546,935)
Dividend/interest paid	13	(10,098,014)	(3,726,097)
Dividend received	23	42,200,429	7,689,998
Cash flows arising from/(used) from financing activities		**(415,767)**	**47,965,578**
Monetary loss earnings impact on cash and cash equivalents		(71,020,565)	(178,469,695)
Effect of foreign currency translation differences on cash and cash equivalents		(8,346,670)	2,488,811
Net increase / (decrease) in cash and cash equivalents		(151,632,979)	188,458,232
Cash and cash equivalents at the beginning of the period	4	542,491,228	249,056,321
End of period cash and cash equivalents	**4**	**390,858,249**	**437,514,553**

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

NOTE 1 - ORGANIZATION AND FIELD OF ACTIVITIES OF THE GROUP

Yünsa Yünlü Sanayi ve Ticaret A.Ş. ("Company") and its subsidiaries (together the "Group"), parent company Yünsa Yünlü Sanayi ve Ticaret A.Ş. and four subsidiaries within the scope of consolidation, of which it owns all shares.

The company was established on June 21, 1973. The company's main activity is the production and marketing of woolen textile products. The main shareholder of the Company is Sürmegöz Tekstil Yatırım Anonim Şirketi ("Sürmegöz Tekstil"). The Company's shares are listed on Borsa Istanbul Joint Stock Company and are traded in the national market. The company capital owned by Hacı Ömer Sabancı Holding A.Ş. 57.88% representation who makes 16,878,507 TL nominal valuable of your shares of all The share transfer agreement for the sale to Sürmegöz Tekstil was signed on 27 August 2019, and the compliance of the share transfer transactions was permitted by the Competition Authority's decision dated 24 October 2019 and numbered 77234294-120.01.06-E.12159 . As of 26 November 2019, the sale and transfer of all shares with a nominal value of 16,878,507 TL, representing 57.88% of the Company's capital, from Hacı Ömer Sabancı Holding A.Ş. to Sürmegöz Tekstil. completed.

As of March 31, 2024, the number of personnel employed by the Company is 903 people (Number of personnel as of December 31, 2023: 1,002).

The registered office address of the Company is as follows:

Vadistanbul 1B Block Floor:
23 34396 Ayazağa, Istanbul

The Company's subsidiaries within the scope of full consolidation as of 31 March 2024 and 31 December 2023 ("Connected Partnerships"), basis activity subjects with directly And indirect capital shares stated below:

	31 March 2024	31 December 2023	
Subsidiaries	direct Ownership rate (%)	Indirect Ownership rate (%)	Field of Activity
Yünsa Germany Gmbh	one hundred	one hundred	Marketing-Sales
Yünsa Italia SRL	one hundred	one hundred	Fabric Design
Yünsa UK Limited	one hundred	one hundred	Marketing-Sales
Yünsa USA Inc.	one hundred	one hundred	Marketing-Sales

Approval of consolidated financial statements:

Consolidated financial statements were approved by the Company's Board of Directors on June 13, 2024. The Company's General Assembly has the right to change these consolidated financial statements, and the relevant regulatory bodies have the right to request the change.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basic principles of presentation of consolidated financial statements

a) Compliance with TMS declaration

The attached consolidated financial statements are prepared in accordance with the provisions of the "Communiqué on Principles of Financial Reporting in the Capital Market" ("Communiqué") numbered II-14.1 published in the Official Gazette numbered 28676 dated 13 June 2013 of the Capital Markets Board ("CMB"). and has been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") put into effect by the Auditing Standards Authority ("KGK"). TFRSs; It contains the Standards and Comments published by the POA under the names of Turkish Accounting Standards ("TMS"), Turkish Financial Reporting Standards, TMS Comments and TFRS Comments.

Consolidated financial statements are published by the KGK in the Official Gazette No. 30794 dated 7 June 2019. Financial Table examples And Use in the guide set financial table samples In accordance with the TFRS Taxonomy developed based on presented.

b) Financial statements in periods of high inflation correction

The Company has prepared its consolidated financial statements for the year dated 31 December 2023 and ending on the same date, by applying TMS 29 "Financial Reporting in High-Inflation Economies" Standard, based on the announcement made by the KGK on 23 November 2023 and the "Implementation Guide on Financial Reporting in High-Inflation Economies" published. . In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date, and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison of previous period financial statements. For this reason, the Company has adjusted all comparative amounts in the consolidated financial statements and previous periods according to the changes in the general purchasing power of the Turkish Lira in accordance with TMS 29 and finally expressed in terms of the purchasing power of the Turkish Lira as of March 31, 2024.

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 implementing Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying In this context, while preparing the consolidated financial statements dated 31 March 2024 and 31 December 2023, inflation adjustment was made in accordance with TMS 29.

The rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of December 31, 2023, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

History	Index	Correction Coefficient
March 31, 2024	2,139.47	1.0000
December 31, 2023	1,859.38	1.1506
December 31, 2022	1,128.45	1.8959
December 31, 2021	686.95	3.1145

The main elements of the Company's adjustment for financial reporting purposes in high-inflation economies are as follows:

- The current period consolidated financial statements prepared in TL are expressed with the purchasing power at the balance sheet date, and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basic principles of presentation of consolidated financial statements (Continued)

b) Financial statements in periods of high inflation correction (Continued)

- Monetary assets and liabilities are not adjusted as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TMS 36 and TMS 2 were applied, respectively.

- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

- "All items in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet, are indexed with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.

- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position loss account in the consolidated income statement.

c) Measurement fundamentals

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

d) Functional currency and consolidated financial statement presentation currency unit of

of the Group each of the business own financial tables in operation they are located basis economic around Presented in the current currency (functional currency). The financial position and operating results of each business are expressed in TL, which is the valid currency of the Company and the presentation currency for consolidated financial statements. has been made.

As of March 31, 2024, the currencies of the Group's subsidiaries according to the countries in which they operate are Euro, British Pound and US Dollar, and the presentation currencies are TL. Financial statements of Subsidiaries operating in foreign countries, TFRS published by KGK in accordance with TRUE your presentation to be done for the purpose of necessary correction And classifications It was edited to reflect. Relating to foreign partnerships presence And obligations balance in history foreign currency dry, Income and expenses have been translated into Turkish Lira using the average exchange rate. Closing and average exchange rate usage results emerge coming out exchange rate differences equity in foreign money cycle differences under the pen is accounted for.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.1 Basic principles regarding the presentation of consolidated financial statements (More)

e) Regarding consolidation fundamentals

Consolidated financial statements include the financial statements of businesses controlled by the Company. Control is achieved by having control over the financial and operational policies of a business in order to obtain benefits from its activities.

Year inside buy received or from hand extracted connected partnerships results, buy purchase from date later or included in the consolidated statement of profit or loss until the date of disposal. If necessary, the Group watched accounting with its policies same to be for the purpose of connected partnerships financial accounting in tables with its policies relating to corrections has been made. All group intra-transactions, balances, income And expenses eliminated in consolidation has been made.

Non-controlling interests in the net assets of consolidated subsidiaries are stated separately in the Group's equity. Shares outside the parent company consist of the sum of these shares formed in the first business combinations and the shares outside the parent company in the changes in equity since the date of merger.

When a company is acquired by the Group, the assets and liabilities of the relevant subsidiary are changed on the day of acquisition. as of to reality suitable with values is measured. Mother mess female share, active And passives to reality It is obtained by calculating the approximate values in proportion to the non-main partnership share. The operating results of the subsidiaries purchased or sold within the period, starting from the date of purchase or until the date of sale, are included in the consolidated statement of profit or loss. is done.

If the company pays more than the net asset value for the asset it purchases, goodwill arises during consolidation. After valuation, if the Group's share in the net fair value of the acquired Company's assets, liabilities and contingent liabilities exceeds the costs associated with the business combination, the excess amount is recognized in the statement of profit or loss.

Changes in the capital share of the Group's existing subsidiary:

of the Group connected in partnerships capital in the share control to the loss From where non- Changes are accounted for as equity transactions. The book values of the Group's share and non-controlling interests are adjusted to reflect changes in subsidiary shares. The difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration received or paid is directly recognized as the Group's share in equity. is accounted for.

of the Group One connected in partnership control to lose in case, sales after profit and loss, I) as the difference between the sum of the sales price received and the fair values of the remaining share and ii) the previous book values of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests is calculated.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.2 Standards and amendments that have been published but have not yet entered into force as of March 31, 2024

International Accounting standards by the Board ("UMSK") published but Public Oversight , Accounting And Audit standards by the Institution ("KGK") yet unpublished new And updated standards And comments

Elimination of Fungibility – Changes to IAS 21 Effects of Changes in Exchange Rates

In August 2023, the IASB amended IAS 21 to clarify the following:

• when one currency can be converted into another currency; And

• How a company estimates the current (spot) rate of a currency when it is not fungible.

If a company is able to exchange any currency for another currency at the measurement date and for a specified reason, those currencies are considered fungible to the company. However, in cases where currencies are not fungible for the company, the company must estimate a spot exchange rate.

When a company estimates a spot exchange rate, its sole purpose is that the exchange rate in question reflects the rate at which regular foreign exchange transactions would occur between market participants on the measurement date under prevailing economic conditions. This amendment to the standard does not include special conditions for estimating the spot exchange rate.

Therefore, when estimating the spot exchange rate, a company can use:

• an observable exchange rate that does not require adjustment; or

• another forecasting technique.

Under the changes, companies will be required to provide new disclosures to help companies evaluate the impact of using estimated exchange rates on financial statements. These disclosures may include:

• the nature and financial effects of currency non-exchangeability;

• the spot exchange rate used;

• forecasting process; And

• Risks that the company will be exposed to due to the inability to exchange the currency.

The changes are effective for annual reporting periods beginning on or after January 1, 2025. Early application is allowed.

Elimination of Fungibility – Changes to IAS 21 Effects of Changes in Exchange Rates The implementation of this amendment is not expected to have a significant impact on the Group's consolidated financial statements.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.2 Standards and amendments that have been published but have not yet entered into force as of March 31, 2024 (Continued)

IFRS 18 – Presentation and Disclosures in Financial Statements

IASB published the IFRS 18 Presentation and Disclosures of Financial Statements standard, which will replace the IAS 1 Presentation of Financial Statements standard, on 9 April 2024. It carries forward many provisions in IAS 1 without changing them.

The purpose of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help provide relevant information that fairly reflects an entity's assets, liabilities, equity, income and expenses.

To improve the structure of the statement of profit or loss, IFRS 18 introduces three defined categories for income and expenses (operating, investment and financing) and requires all companies to present newly defined subtotals, including operating profit.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and will be applied retroactively. Early application is allowed **.**

The Group is evaluating the possible effects of the implementation of IFRS 18 on its consolidated financial statements.

Changes that have started to be implemented

The changes that came into force for accounting periods starting on or after January 1, 2024 are as follows:

1) Classification of Liabilities as Short or Long Term (Amendments Made in IAS 1)
2) Lease liability in sale and leaseback transactions - Amendments to IFRS 16 Leases
3) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Financing Agreements
4) IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information and IFRS S2 Climate-Related Disclosures

These newly implemented standard amendments did not have a significant impact on the Group's consolidated financial statements.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Significant Accounting Policies Summary

The significant accounting policies used in the preparation of consolidated financial statements are summarized below:

a) Revenue

In accordance with TFRS 15, a five-stage approach is followed in revenue recognition for all contracts made with customers.

Stage 1: Defining the contract

A contract can only be legally enforced, collected, rights and payment terms regarding goods and services can be defined, the contract must have a commercial substance, the contract must be approved by the parties and the parties are committed to fulfill their obligations. to be met in case, This agreement TFRS 15 in the scope of is evaluated. Contracts Group contracts can be considered as a single contract when negotiated as a single commercial package or when there is a single obligation under contracts where goods or services (or part of goods or services) are linked in one contract to another contract. evaluates.

Stage 2: Defining performance obligations

Group, "I did "obligation" your revenue accounting for One bill unit of aspect defines. The Group evaluates the goods or services it undertakes in a contract with the customer and considers each commitment it makes to the customer to transfer one of the following as a performance obligation. determines:
(a) a different good or service (or a package of goods or services) or in
(b) A distinct series of goods or services that are substantially similar and have the same manner of transfer to the customer.

The Group can define a good or service included in the contract separately from other commitments in the contract and ensure that the customer can benefit from the good or service in question alone or with other resources available for use. together benefit from provides whereas different One goods or service aspect defines. One The contract may include a promise to deliver a number of different goods or services that are essentially the same. At the beginning of the contract, One business goods or service of the series only One act obligation is is not determines.

Stage 3: Determining the transaction price

Group, process the price to determine for agreement within the scope of obligation in its place after bringing later Evaluates how much you expect to receive. The evaluation considers whether the contract includes elements of variable amounts and a significant financing component.

Significant financing component

The Group considers the amount reflecting the cash sales price of the promised goods or services as part of a significant financing component. effect for payment commitment made amount with out of sight passes. Practical One APPLICATION aspect, The group, the contract at the beginning, customer payment with goods or services transfer between of the duration One year or more short to happen waiting in case, important One financing component of to the effects related It does not adjust the transaction price.

In cases where the obligations fulfilled by the Group during the period and the advances received and the payment plan are broadly compatible, the Group considers that the period between fulfilling the obligation and payment will never exceed 12 months.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (More)

a) Revenue

(Continued)

Variable price

The Group determines whether there are items in the customer contract that may result in price privileges, incentives, performance bonuses, early completion bonuses, price adjustment clauses, penalties, discounts or similar variable costs.

Stage 4: Distribution of the transaction price to performance obligations

Different goods or services only One to the contract according to delivery to be in case, agreement cost separate allocated based on the relative standalone selling prices of goods or services (different performance obligations). If directly observable standalone sales prices are not available, the total consideration in contracts is based on expected cost plus profit margin. is distributed.

Stage 5: Revenue recognition

The Group recognizes revenue over time when any of the following conditions are met:
- customer's spouse timed aspect, of the business provided by from benefits benefit from And This benefits In case of consumption;
- As the entity creates or develops the asset, control of the created or developed asset simultaneously passes to the customer. in
- The obligation fulfilled by the Group does not constitute an asset that has an alternative use for the Group itself and the Group has a legally enforceable collection right on the payment to be made in response to the obligation completed to date. in case.

For each performance obligation satisfied over time, the Group selects a single measure of progress that represents the transfer of control of the goods or services to the customer. The group uses a method that reliably measures work performed. The group uses costs incurred to measure progress towards completion of the project using the input method and uses units transferred to measure progress towards completion of the project using the output method.

If a performance obligation is not satisfied over time, then the Group recognizes revenue when it transfers control of the goods or service to the customer.

In cases where the cost that must be incurred by the Group in order to fulfill its obligations under the contract exceeds the economic benefit expected to be obtained within the scope of the contract in question. TMS 37 "Provisions, conditional debts And conditional assets" standard in accordance with One provides a response.

Contract changes

Group, additional One goods or service offer commitment given if, agreement change separate One as a contract acceptance It does. Available of the contract termination And new One of the contract creation in case, If the goods or services offered are different, it recognizes the relevant changes. If the modification to the contract does not create separate goods or services, the entity may combine additional goods or services with the initial contract as if they were part of the initial contract. accounting.

The Group's main revenue sources consist of woolen fabric and apparel sales.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

a) Revenue (Continued)

The Group has determined that for its made-to-order fabrics, the Group controls all semi-finished goods in production. This is because if the contract is terminated by the customer, the Group is not entitled to a refund of the costs incurred at that time, including a reasonable margin, and the products produced can be sold to other customers. Therefore, customers obtain control of the fabrics when the goods are delivered and revenue is recognized on the date customers obtain control.

In sales that are not made to order, customers gain control of the fabrics when the goods are delivered and the revenue is recognized on this date.

b) Stocks

Stocks get don't cost or net can happen your value low the one with is valued. of stocks The cost includes all purchasing costs, conversion costs and other costs incurred in bringing the inventories to their current condition and location. For finished products and semi-finished products, the cost also includes general production expenses in accordance with the normal production capacity. The unit cost of stocks is calculated using the monthly moving weighted average method. Net realizable value is the amount obtained by deducting the estimated cost of completion and the estimated sales cost necessary to make the sale from the estimated sales price in the ordinary course of business. When the net realizable value of inventories falls below their cost, the inventories are reduced to their net realizable value and reflected as an expense in the statement of profit or loss in the year in which the impairment occurs. Before of stocks net can happen to value to be reduced From where the one which... your conditions its validity In cases where it is proven that there is an increase in net realizable value due to loss or changing economic conditions, the impairment provision is cancelled. The canceled amount is limited to the previously allocated impairment amount.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

c) Related sides

A person or a close member of that person's family is considered to be associated with the

Company if: That person:

(i) Having control or joint control over the company in case,
(ii) Having significant influence on the company in case,
(iii) is a member of the key management personnel of the Company or a parent of the Company. If

any of the following conditions exist, the entity is affiliated with the Company. sort of:

(i) Business and Company are members of the same group in case of,
(ii) of the Business, other of the business (or other of the business also member of is One of the group member) subsidiary or a business partnership in case of,
(iii) Both businesses are joint ventures with the same third party in case of,
(iv) One of the entities is a joint venture of a third entity and the other entity is an affiliate of that third entity in case of,
(v) If the Company has post-employment benefit plans for employees of the Company or a business affiliated with the Company (if the Company itself has such a plan, sponsoring employers will also cooperate with the Company). is related),
(vi) of Business (a) in the article defined One person by control or jointly control If it is done,
(vii) A person identified in subparagraph (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

d) Financial instruments

i. Accounting and initial measurement

The Group records its trade receivables on the date they are incurred. The Group recognizes all other financial assets and liabilities only on the transaction date when it becomes a party to the contractual terms of the relevant financial instrument.

to the truth suitable value changes snow or at a loss reflected outside financial assets (important (except for trade receivables that do not have a financing component) and in the initial measurement of financial liabilities, these by acquisition or by issuance directly relatable process costs also realistic to value additional by is measured. Important One financing to the component owner non- commercial they will receive, At initial recognition, based on the transaction price is measured.

ii. Classification and next measurement

On initial recognition, a financial instrument is classified as specified; measured at amortized cost; Measured by reflecting the GUD difference to other comprehensive income - payments made to debt instruments investments, GUD difference other comprehensive to income by reflecting measured- equity to their vehicles investments made or GUD difference is reflected in profit or loss measured.

Following initial recognition, financial instruments are not reclassified unless the Group changes the business model it uses to manage financial assets.

Financial assets are retained from initial recognition unless the Group changes its business model to manage the financial assets. later again not classified. This case, affected all financial assets are reinstated on the first day of the first reporting period following the change in business model. is classified.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

d) Financial instruments (Continued)

ii. Classification and subsequent measurement (More)

A financial asset is measured at amortized cost if both of the following conditions are met and it is not classified as measured at GUD through profit or loss:

– Holding a financial asset within the scope of a business model that aims to collect contractual cash flows And

– Financial to existence related agreement conditions, clear on dates Only principal And principal It gives rise to cash flows that include interest payments arising from the balance trench

All financial assets that are not measured at amortized cost as stated above or by reflecting the GUD difference to other comprehensive income are measured by reflecting the GUD difference to profit or loss. These include all derivative financial assets. An irreversible change in fair value of a financial asset is recognized in profit or loss, provided that, upon initial recognition of financial assets, it eliminates or significantly reduces an accounting mismatch that would arise from different measurement of financial assets and different recognition of gains or losses related to them. can be defined as measured by reflection.

Financial assets - Evaluation of business model:

The Group evaluates the purpose of holding a financial asset at the portfolio level to ensure that the business model best reflects the way the assets are managed and the information provided to management. Information covered includes:

- portfolio for set policies And goals And This your policies in practice use. These include whether management's strategy focuses on generating contractual dividend income, continuing to benefit from a specified dividend rate, aligning the maturity of financial assets with the maturity of the liabilities funding those assets, or realizing cash flows through the sale of assets. includes;
- How the performance of the business model and financial assets held within the scope of the business model is reported to the Group management. reported;
- Work of the model (work model in the scope of get held financial assets) performance affecting risks and especially the management of these risks shape;
- How additional payments to business managers are determined (for example, whether additional payments are managed assets to your GUD according to Is it or? educated made to the contract connected cash to the flows according to is determined) And
- The frequency, value, timing and reason for sales made in previous periods and future sales expectations.

financial assets to third parties in transactions that do not qualify for derecognition are considered sales for this purpose , consistent with the Group's recognition of assets in its financial statements on a continuous basis . It is not done.

Financial assets held for trading purposes or managed on the basis of fair value and whose performance is evaluated on this basis are classified as measured by reflecting the GUD difference to profit or loss.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

d) Financial Instruments (More)

ii. Classification and subsequent measurement (More)

Financial assets - Evaluating whether there are contractual cash flows that include only payments of principal and dividends on the principal balance:

For the purpose of this evaluation, principal is the fair value of the financial asset at the time of initial recognition. Dividend; The time value of money consists of the credit risk of the principal balance over a specific period of time, other basic lending risks and costs (for example, liquidity risk and management costs) and the profit margin.

The early payment feature means that in cases where the contract is terminated before its maturity, the prepaid amounts containing a reasonable amount are largely the unpaid amount of the principal and dividends related to the principal balance. if it reflects Only principal And principal to the balance related snow share payments with the criterion is consistent.

In addition, (i) if the financial asset is purchased at a premium or discount over its contractual nominal value, (ii) in cases where the contract is terminated before maturity, the prepaid amounts, which include the payment of a reasonable additional consideration, are largely based on the contractual nominal value and accrued (but unpaid) dividends. and (iii) the fair value of the prepayment feature on initial recognition is insignificant.

Financial assets - Subsequent measurement and gains or losses:

Financial assets measured by reflecting GUD difference to profit/loss:

This assets next in measurements to reality suitable values over is measured. Any One snow share or net gains and losses thereon, including dividend income, are recognized in profit or loss.

Financial assets measured at amortized cost:

This assets next in measurements effective snow share method using amortization has been from the cost is measured. If any, amortized costs are reduced by the amount of impairment losses. Dividend income, foreign currency gains and losses, and impairment losses are recognized in profit or loss. Gains or losses resulting from their derecognition are recognized in profit or loss.

Financial liabilities - Subsequent measurement and gains or losses

Financial obligations amortization has been from the cost measured And GUD difference snow or at a loss reflected It is classified as.

One financial obligation, purchase sale purposeful get held definition welcome in case GUD difference profit or at a loss reflected aspect is classified. Financial obligation, derivative vehicle to be either in first times A financial liability held for trading if it is identified as such at the time of recognition. aspect is classified. Motive snow or at a loss reflected financial obligations, GUDs They are measured at and net gains and losses, including dividend income, are recognized in profit or loss. Other financial liabilities are impaired based on their effective profit share rates and amortized cost of future principal and dividend cash flows following their initial recognition. by downloading is measured. Snow share expenses And exchange rate differences snow or in loss is accounted for. Gains or losses arising from the derecognition of these liabilities are recognized in profit or loss.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

d) Financial Instruments (More)

iii. Derecognition Financial

assets

When the contractual rights to cash flows related to financial assets expire, or when the Group has transferred substantially all of the risks and rewards arising from the ownership of this financial asset, or if it has neither transferred substantially nor retained substantially all of the risks and rewards arising from the ownership of this financial asset, relevant financial asset on control owner to be continue if not promise subject financial existence from records takes it out.

If the Group continues to retain substantially all the risks and rewards arising from its ownership of a financial asset, it continues to record the relevant financial asset in the statement of financial position.

Financial obligations

The Group derecognises a financial liability from the statement of financial position only when the debt related to the liability is eliminated or cancelled. Additionally, if there is a significant change in the terms or cash flows of an existing financial liability, the Group removes a financial liability from the statement of financial position. Instead, it requires recognition of a new financial liability at fair value based on modified terms.

When a financial liability is derecognised, the difference between its carrying amount and the amount paid in respect of that liability (including any non-cash assets transferred or any liabilities assumed) is recognized in the financial statements as profit or loss. is taken.

iv. Financial assets and liabilities clarifying

The Group nets its financial assets and liabilities only when it has a legal right to set off and there is an intention to realize the transaction on a net basis or to realize the asset and fulfill the liability simultaneously and present the net amount in its financial statements.

v. Derivative financial instruments and hedging accounting

TFRS 9 also aims to harmonize hedge accounting with risk management practices. aiming new financial from risk protection accounting your rules in Contains. TFRS 9, postponing the adoption of TFRS 9 hedge accounting in accounting policy selection and TMS 39's protection accounting of the provisions to the implementation continue don't option offers. In this context, the Group continues to apply the hedge accounting provisions of TAS 39. will.

Derivative instruments are initially recognized at fair value. Changes in the fair value of derivative instruments following their initial recognition are recognized in profit or loss.

The Group defines certain derivative instruments as hedging instruments to protect the variability in cash flows related to highly probable forecast transactions arising from changes in foreign exchange rates.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

d) Financial Instruments (More)

v. Derivative financial instruments and hedge accounting (More)

At the beginning of the hedging relationship, the Group documents the hedging relationship and the risk management objective and strategy that caused the entity to enter into the hedging transaction. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other.

Cash flow hedges

If a derivative instrument is designed as a cash flow hedge, the effective portion of the change in the fair value of the derivative instrument is recognized in other comprehensive income and included in the hedging reserve under equity. The ineffective portion of the change in fair value of the derivative is recognized directly in profit or loss. The effective part of the change in the fair value of the derivative instrument, determined on a present value basis from the beginning of the hedging relationship recognized in other comprehensive income, is limited to the accumulated effect of the change in the fair value of the hedging instrument. There are no derivative financial instruments as of March 31, 2022 and December 31, 2021.

e) Value in assets low

i. Non-derivative financial assets

Financial instruments and contract

assets

The Group recognizes loss provisions for expected credit losses (ECL) for the following :

– Financial assets measured at amortized cost;

The Group is responsible for impairment of trade receivables and contract assets. lifetime expected credit loss ECLs in calculating has chosen.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating ECLs, the Group considers reasonable and supportable information that is available without undue cost or effort and is relevant to estimating expected credit losses, including the effects of expected prepayments. This information is based on the Group's past credit damage their experiences based on And forward dull informations including quantitative And qualitative information and analyses Contains.

Group, One financial presence on you credit of the risk, due date 90 day to go through in case important assumes that it increases significantly.

The Group considers a financial asset to be in default in the following cases:

- Group by of the guarantee use (if if any) like to transactions without recourse debtor's failure to fully fulfill its credit obligation, or
- Financial instrument is 360 days past due to be.

Lifetime ECLs are expected credit losses arising from all possible default events over the expected life of the financial instrument.

The maximum period over which ECLs will be measured is the maximum contractual period during which the Group is exposed to credit risk.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

e) Impairment of Assets (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument. In other words, they are credit losses measured at the present value of all cash deficits (for example, the difference between the cash inflows to the business pursuant to the contract and the cash flows the business expects to collect).

Cash gap is the difference between the cash flows required to be delivered to the business according to the contract and the cash flows the business expects to receive. Since the amount and timing of payments are taken into account in expected credit losses, a credit loss occurs even if the business expects to receive the full payment later than the maturity specified in the contract.

ECLs are discounted based on the effective dividend rate of the financial asset.

Credit-impaired financial assets

At the end of each reporting period, the Group evaluates whether financial assets measured at amortized cost are impaired. When one or more events occur that adversely affect the estimated future cash flows of a financial asset, the financial asset in question is credit impaired.

Evidence that a financial asset is credit impaired includes the following observable data:

- The borrower or issuer is experiencing significant financial difficulty fall,
- Contractual default, such as debtor default or financial instrument being 90 days past due violation,
- Restructuring of a loan or advance subject to conditions that the Group cannot otherwise consider,
- There is a possibility that the debtor will go bankrupt or undergo financial restructuring, or
- The disappearance of an active market for a security due to financial difficulties getting up.

Presentation of impairment

Loss provisions for financial assets measured at amortized cost are deducted from the gross book value of the assets.

fall from record

If there are no reasonable expectations of partial or full recovery of the value of a financial asset, the entity directly reduces the gross carrying amount of the financial asset. Write-off is a reason for derecognition.

The Group determines the timing and derecognition based on whether there is a reasonable expectation of recovery on an individual basis. will be deducted for the amount related One evaluation does. Group from the record falling amount related important a recovery does not wait.

However, written-off financial assets may still be subject to enforcement activities to comply with the Group's procedures for recovering amounts due.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of Significant Accounting Policies (Continued)

e) Impairment of Assets (Continued)

ii. non-financial assets

At each reporting period, the Group reviews the carrying amounts of its non-financial assets (excluding inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If such an indicator is available, the recoverable amount of the asset is estimated.

For impairment testing, assets are assessed from continuing use, cash inflows from other assets or CGUs. independent aspect, cash entry constituent -most Small presence to the group according to are grouped. One Goodwill arising from a business combination is allocated to CGUs or groups of CGUs expected to benefit from combination synergies. is done.

The recoverable amount of an asset or CGUs is the higher of its value in use and its GUD when sold at lower costs. Value in use is based on estimated future cash flows discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

If the recoverable amount of an asset or CGU is less than its book value, the book value of that asset or CGU is reduced to its recoverable amount.

Impairment losses are recognized in profit or loss. It will first reduce the book value of any goodwill allocated to the CGU and then distribute it by reducing the book value of other assets in the CGU.

f) tangible assets

Material beings, borrowing costs also including cost from the values, accumulated depreciation And It is shown at its net value after deducting any impairment, if any. Depreciation is carried out according to the straight-line method, based on the useful lives of tangible assets. is leaving.

As of March 31, 2023, the Group changed its accounting policy and stopped measuring the land and plots included in the tangible fixed assets at cost and started to revalue them and measure them at their fair value, and the value increase effect was accounted in the other comprehensive income statement. Plot And lands useful their lifespan forever aspect acceptance since it is done depreciation They were not subjected to it.

Material standing assets constituent parts different useful to lifetimes owner when they are these material as separate parts (significant components) of the fixed asset is accounted for.

Estimated useful lives for tangible assets are as follows:

	Year
Aboveground and underground layouts	15-25
Buildings	25-50
Machinery, plant and equipment	4-15
vehicles	5
Flooring and fixtures	3-10
special costs	5

The useful lives of leasehold improvements are depreciated over their economic lives or the shorter of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted when necessary.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (More)

f) Tangible fixed assets (More)

Material standing assets from hand removal either in One material standing your existence from service receiving results The resulting gain or loss is included in profit or loss. is accounted for.

Material to existence made normal care And repair expenses, expense aspect is accounted for. Investment expenditures that expand the capacity of the tangible asset and increase the benefits to be obtained from it in the future are included in the cost of the tangible asset. is added.

g) intangible assets

Intangible assets include acquired rights, information systems and computer software. These are recorded at acquisition cost and are depreciated on a straight-line basis over their estimated useful lives after the date of acquisition. In case of impairment, the registered value of intangible assets is reduced to its recoverable value.

Internally generated intangible assets – research and development expenses

Research expenses are recorded in the statement of profit or loss in the period in which they are incurred.

Internally created intangible assets resulting from development activities (or the development phase of an internal Group project) are recorded only when all of the following conditions are met:

- It is technically possible to complete the intangible asset so that it is ready for use or ready for sale. to be,
- Intention to complete, use or sell the intangible asset to be,
- The intangible asset can be used or sold to be,
- It is clear how the asset will provide a possible future economic benefit. to be,
- There are appropriate technical, financial and other resources to complete the development of the intangible asset, to use or sell the asset, and the cost of developing the asset can be measured reliably during the development process. to be.

The amount of intangible assets created within the business is the total amount of expenses incurred from the moment the intangible asset meets the recognition conditions specified above. Created in-house material non- assets to the record When they cannot be received, development expenses they occur as an expense in the period is recorded.

After initial accounting, internally created intangible assets are shown at cost less accumulated amortization and accumulated impairment losses, if any, just like separately purchased intangible assets. These assets are amortized within 5 years.

Other intangible assets

Other intangible assets purchased by the Group and with a certain useful life are measured at cost less accumulated amortization and any accumulated impairment losses.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (More)

h) Borrowing costs

For use And on sale ready halo bringing important to the extent time wanting assets (featured assets) In this case, borrowing costs directly associated with the purchase, construction or production are included in the cost of the asset until the relevant asset is made ready for use or sale.

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

i) Calculated based on corporate income taxes

Since Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare consolidated tax returns, tax provisions have been calculated separately for each business, as reflected in the attached financial statements.

Income tax expense consists of the sum of current tax and deferred tax expense.

current tax

Current year tax liability is calculated on the taxable portion of the period profit. Taxable profit may be taxed or deducted from taxable or deductible items in other years. downloading possible non- items not including motion sickness because of, snow or damage in the table given place cardan difference shows. of the Group current tax obligation balance date as of legalized or using a substantially legalized tax rate has been calculated.

deferred tax

Postponed tax obligation or existence, assets And your obligations financial in tables It is determined by calculating the tax effects of temporary differences between the amounts shown and the amounts taken into account in the legal tax base calculation, taking into account the legalized tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deductible temporary differences are formed postponed tax assets, in the future to tax subject to snow get to do by promise It is calculated on the condition that it is highly probable to benefit from the differences in question. If the assets and liabilities in question arise from a temporary difference related to a transaction that does not affect commercial or financial profit/loss, goodwill or the initial recognition of other assets and liabilities in the financial statements (other than business combinations). It is not accounted for.

Postponed tax obligations, of the Group temporary your differences from the middle get up control can and all taxable temporary differences associated with investments in subsidiaries and affiliates and interests in joint ventures, except in cases where the difference is unlikely to disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly probable to benefit from such differences by obtaining sufficient taxable profit in the near future and it is probable that the relevant differences will disappear in the future.

A deferred tax asset is recognized if it is probable that sufficient taxable profit will be obtained in the future for unused tax advantages and deductible temporary differences that will be sufficient to offset them. The carrying value of the deferred tax asset is reviewed as of each balance sheet date. The registered value of the deferred tax asset is the amount that some or all of it will provide. of benefit get to be facility will give level financial snow get to do likely to the extent that it is not is reduced.

Deferred tax assets and liabilities are determined by the date on which assets will be realized or liabilities will be settled. in the period valid to be expected And balance date as of legalized or important based on largely legalized tax rates (tax regulations) is calculated.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (More)

i) Taxes calculated on corporate income (more)

Deferred tax (continued)

During the calculation of deferred tax assets and liabilities, the tax consequences of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to offset current tax assets and liabilities. is offset.

Current and deferred tax for the period

Current tax and deferred tax for the period, other than those relating to items recognized directly as receivables or debits in equity (in which case deferred tax on such items is also recognized directly in equity) or arising from the initial recognition of business combinations, are recognized as expense or income in the statement of profit or loss. is accounted for. In business combinations, goodwill in calculating either in buy field, buy received connected of partnership The tax effect is taken into account in determining the part of the fair value of identifiable assets, liabilities and contingent liabilities that exceeds the acquisition cost. is kept.

j) provided to employees benefits

(i) Short-term benefits provided to employees benefits

Short-term benefit obligations provided to employees are expensed as the relevant service is provided.

A liability is recorded for the amounts expected to be paid within the scope of short-term cash premiums and bonuses in cases where the Group has a legal or constructive obligation to pay as a result of the past services of its employees and this obligation can be estimated reliably.

(ii) Permission rights

According to the Labor Law in force in Turkey, if the employment contract is terminated for any reason, the employee shall be paid the wages for the annual leave periods earned but not used by the employees at the end of the contract. in history gross fee And to the contract connected other your interests total over to herself or is obliged to pay to the rights holders. Unused leave provision is the undiscounted total liability amount corresponding to the leave days that all employees are entitled to but have not yet used as of the reporting date. Liabilities arising from unused leave rights are accrued in the periods in which they are vested. is done.

(iii) Other long-term benefits provided to employees benefits

In accordance with the current labor law in Turkey, the Group is obliged to pay certain amounts to its employees who have completed 1 year and left their jobs due to reasons such as retirement, military service or death. Severance pay provision represents the present value of the Group's estimated future liability in the event of the retirement of its employees, on a 30-day basis. Severance pay in return, all employees This type One to pay subject to will be kept like calculated is It is reflected in the consolidated financial statements on an accrual basis. Severance pay provision, according to the severance pay ceiling announced by the Government has been calculated.

All actuarial gains and losses are recognized in other comprehensive income.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (Continued)

k) Exchange rate change effects

of the Group each of the business own financial tables in operation they are located basis economic around Presented in the valid currency (functional currency). The financial position and operating results of each enterprise are expressed in Turkish Lira ("TL"), which is the functional currency of the Group and the presentation unit for consolidated financial statements. has been made.

During the preparation of the financial statements of each enterprise, transactions in foreign currencies (currencies other than TL) are recorded based on the exchange rates on the date of the transaction. on balance sheet place area to foreign currency indexed monetary presence And obligations balance on valid the one which... It is converted into Turkish Lira using exchange rates. Among the non-monetary items that are monitored at fair value, those recorded in foreign currencies are translated into TL based on the exchange rates on the date the fair value was determined. Non-monetary items denominated in foreign currencies measured at historical cost are subject to retranslation. they are not kept.

History	**US Dollar/TL**	**EURO/TL**
Foreign exchange buying on March 31, 2024	32.2854	34.8023
Foreign exchange buying on March 31, 2023	19.1532	20.8450

Exchange differences are recognized in profit or loss in the period in which they occur, except in the following cases:

- Exchange rate, which is treated as an adjustment to profit share costs on liabilities denominated in foreign currencies and related to assets under construction for future use, and included in the cost of such assets. differences.
- Exchange rate arising from transactions carried out to provide financial protection against risks arising from foreign currency differences.

Assets and liabilities of the Group's foreign operations are expressed in TL using the exchange rates valid at the balance sheet date in the consolidated financial statements. Income and expense items are calculated in the period unless there is a significant fluctuation in exchange rates during the period in which the exchange rates on the date of the transactions should be used (in case of significant fluctuations, the exchange rates on the date of the transactions are used). in average rates using is translated. Formed exchange rate difference equity aspect are classified and transferred to the Group's "foreign currency translation differences" account. These translation differences are included in the profit or loss statement in the period when the foreign operation is disposed of. is recorded.

l) per share earning

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

In Turkey, companies can increase their capital by distributing "free shares" to their shareholders from retained earnings. This type of "bonus share" distributions are included in earnings per share calculations. has been share like is evaluated. This according to, This in calculations used weighted average number of shares, taking into account the retrospective effects of such share distributions. has been found.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (Continued)

m) capital and dividends

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recorded as deducted from accumulated profit in the period in which they are declared.

n) Provisions, contingent assets and obligations

If there is a current obligation arising from past events, it is probable that the obligation will be fulfilled and the amount of the obligation can be estimated reliably, a provision is made in the financial statements.

The amount set aside as a provision is calculated by estimating the expenditure to be made to fulfill the obligation as of the balance sheet date, taking into account the risks and uncertainties regarding the obligation.

If the provision is measured using the estimated cash flows required to meet the current obligation, the carrying amount of the provision is equal to the present value of the relevant cash flows.

In cases where some or all of the economic benefit required to pay the provision is expected to be borne by third parties, the amount to be collected is recognized as an asset if it is virtually certain that the relevant amount will be collected and can be measured reliably.

o) cash flow reporting

Cash flow in the table, to the period related cash currents business, investment And financing to its activities classified based on is reported.

Cash flows arising from operating activities are derived from the Group's main activities (textile and apparel). sale) caused cash currents shows. Financing to its activities related cash flows, the resources used by the Group in its financing activities and the repayments of these resources. shows.

Investment with its activities relating to cash streams, of the Group investment in its activities (presence investments And financial investments) cash flows used and obtained shows.

Ready values, cash money, current deposit and buy purchase from date from maturities 3 moon or 3 Other short-term, highly liquid assets that are less than a month, are readily convertible into cash, and do not carry a significant risk of change in value. are investments.

p) After the balance sheet date events

It refers to the events that occur in favor or against the company between the reporting date and the authorization date for the publication of consolidated financial statements. Events after the reporting date are divided into two:

- There is new evidence that relevant events existed as of the reporting date; And
- There is evidence showing that the relevant events occurred after the reporting date (which do not require correction after the reporting date). events).

If there is new evidence regarding the existence of the events in question as of the reporting date or if the relevant events occur after the reporting date and these events require correction of the consolidated financial statements. require in case, Group consolidated financial tables new to the situation suitable corrects it accordingly. Promise subject events consolidated financial of tables to be corrected does not require whereas, The Group discusses these matters in its relevant footnotes. explains.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (Continued)

r) Reporting financial information by segments

The operating segment is the business segment that engages in business activities from which a business can generate revenue and incur expenses. activity the results, to the section allocation will be resources related your decisions receiving And It is a section about which separate financial information is available and which is regularly reviewed by the authority authorized to make decisions regarding the activities of the enterprise in order to evaluate the performance of the section.

A reportable segment is an operating segment for which segment information must be disclosed. Requirement for an operating segment to be designated as a reportable segment; The majority of segment revenue is earned from sales to non-group customers and segment revenue from sales to non-group customers and transactions with other segments is distributed to all segments. related drink And external total your revenue -most little 10% to create or snow or at a loss the result of the finalized segment, the total results of the segments that made a profit and the total results of the segments that made a loss. absolute in the sense big the one -most little to 10% hit to do or section their assets, at least 10% of the total assets of all divisions is to create.

s) State incentives and aids

Government incentives are not reflected in the financial statements without reasonable assurance that the entity will meet the conditions required to obtain the incentive and that the incentive will be obtained.

Government incentives are systematically reflected in profit or loss during the periods in which the costs intended to be covered by these incentives are recognized as expenses. Government incentives, which are a financing tool, are presented in the statement of financial position (balance sheet) as an element that reduces investment costs, rather than being recognized in profit or loss in order to clarify the expenditure item they finance. with being associated And relating to assets economic lifespan along systematic way snow or to loss is reflected.

The Group receives assistance from the Scientific and Technical Research Council of Türkiye ("TUBITAK"). TUBITAK carries out a program to organize and regulate the support of the Republic of Turkey in order to encourage the research and technology development activities of industries in Turkey. Within the framework of this program, a certain part of the development expenses of industrial companies are reimbursed.

Government incentives given to cover previously incurred expenses or losses or to provide emergency financial support to the business without requiring any future costs are recognized in profit or loss in the period when they become collectible. The benefit of a loan received from the government at a rate lower than the market profit share is considered a government incentive. The benefit created by the lower dividend rate is measured as the difference between the initial book value of the loan and the gains made.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (Continued)

t) Financial income and financing expenses

Financing income consists of bank deposit dividend income, which forms a part of the cycle used for financing purposes, and exchange rate difference income on financial assets and liabilities (other than trade receivables and payables).

Financing expenses include profit share expenses of bank loans, commission expenses of credit cards and letters of guarantee, and exchange rate difference expenses on financial assets and liabilities (other than trade receivables and payables). Borrowing costs that cannot be directly attributed to the acquisition, construction or production of an asset are recognized in consolidated profit or loss using the effective profit share rate.

Exchange rate difference income and expenses on financial assets and liabilities (other than trade receivables and payables) are reported net within financial income or financial expenses according to the net position of exchange rate difference movements. Exchange differences and rediscount income on trade receivables and payables are reported in other income from main activities, and exchange rate differences and rediscount expenses are reported in other expenses from main activities.

u) Significant accounting evaluation estimates and assumptions

While preparing the consolidated financial statements, management applies the Group's accounting policies and reports assets, your obligations, income And your expenses amounts affecting reasoning, guess and made assumptions. Actual quantities may vary from estimated quantities. can show.

Estimates and related assumptions are continually reviewed. Changes to estimates are accounted for on a prospective basis.

<u>Severance pay liability</u>

The present value of severance pay obligations is determined on an actuarial basis using certain assumptions. This assumptions seniority compensation obligations net expense in determining is used and includes the reduction rate. Any change in these assumptions will affect the carrying amount of the severance pay obligation. Actuarial losses and gains are recognized in the other comprehensive income statement in the period in which they occur. they are associated.

The Group determines the appropriate discount rate at the end of each year. This rate is the rate used to calculate the present value of estimated future cash outflows required to fulfill severance pay obligations (Footnote 16).

<u>Net realizable value of stocks</u>

Inventories are valued at the lower of net realizable value or cost. Group management believes that the cost of some finished product stocks is higher than their net realizable value as of the balance sheet date. detection has done. Management, value low in the calculation, of stocks from the sale in the future It has estimated the cash flow amounts to be obtained and the sales price that will occur in ordinary commercial activity. As a result of the estimates made, as of March 31, 2024, the value of the stocks has been reduced by 2,180,715 TL (31 December 2023: 2,094,674 TL) (Footnote 9).

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (More)

u) Significant accounting evaluation estimates and assumptions (More)

Doubtful receivables

Group, commercial And other their receivables educated feasibility seasonal aspect follow-up is doing And education It allocates an expected credit loss provision for possible losses that may arise from receivables that have become doubtful and based on collection rates in previous years. Following the provision for the doubtful receivable amount, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and associated with profit or loss. Changes in the expected credit loss are recorded in profit or loss in the same way. is taken.

Recovery of internally created intangible assets

Period inside Group management business intra- created material non- standing assets likely re-examined the existence of economic benefits. Group management believes that the projects will continue as expected and, based on the analysis, predicts that the projects will create similar economic benefits. Management economic use if it decreases genius assets registered of the costs back He is sure that he can win. This situation is closely monitored by Group management and management will make adjustments where future market activity requires such adjustments.

While preparing the (consolidated) financial statements, management applies the Group's accounting policies and reports assets, your obligations, income And your expenses amounts affecting reasoning, guess and made assumptions. Actual quantities may vary from estimated quantities. can show.

Estimates and related assumptions are continually reviewed. Changes to estimates are accounted for on a prospective basis.

fair value

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; Where there is no active market of the Group access to is -most advantageous market expression It does. One your debt to reality suitable It reflects the impact of the risk of not fulfilling the value.

The Group's various accounting policies and disclosures require the determination of fair values of both financial and non-financial assets and liabilities.

Where an active market exists, the Group measures fair value for a financial asset or liability using the quoted price of that asset or liability in an active market. A market is considered active when transactions involving the asset or liability occur continuously with sufficient frequency and volume to provide pricing information.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. uses. chosen valuation technique, market of the participants One process when pricing all the factors they will take into account Contains.

If an asset or liability measured at fair value has a bid price and bid price, the Group measures assets and long positions at the bid price and liabilities and short positions at the bid price.

NOTE 2 - PRINCIPLES OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (More)

2.3 Summary of significant accounting policies (More)

u) Significant accounting evaluation estimates and assumptions (More)

The best indicator of fair value at initial recognition is the transaction price (that is, the fair value of the consideration received or paid). The group realizes the real value at initial recognition. suitable your value process at the price different is detection if And to reality suitable value, same Unless evidenced by a quoted price in an active market for the asset or liability or by relying on a valuation technique that uses unobservable inputs, the financial instrument is initially measured at fair value and is traded at fair value if it is immaterial to the measurement. price between difference to delay about is corrected. First accounting following, financial recognized in profit or loss on an appropriate basis over the life of the instrument. However, recognition in profit or loss continues as long as the valuation is fully supported by observable market data or until the transaction is closed. It does.

When measuring the fair value of an asset or liability, the Group uses market observable information whenever possible. Fair valuations are classified into different levels in the fair valuation hierarchy determined based on the information used in the valuation techniques listed below.

Level 1: Quoted (unadjusted) price in active markets for identical assets or liabilities;

Level 2: Level at 1 place area registered prices outside remainder And assets or debts in terms of Data that are observable directly (through prices) or indirectly (by deriving from prices); And

Level 3: Data regarding assets or liabilities that are not based on observable market data (non-observable data).

If the information used to measure the fair value of an asset or liability is fair value valuation of hierarchy different One to the level if it can be classified This to reality suitable valuation is at the same level of the fair valuation hierarchy that includes the smallest amount of information that is material to the overall measurement. is classified.

The Group recognizes transfers between levels in the fair valuation hierarchy at the end of the reporting period in which the change occurs.

NOTE 3 – SEGMENT REPORTING

The Group has started to implement TFRS 8 as of January 1, 2009 and has determined operating segments based on internal reports that are regularly reviewed by the authority authorized to make decisions regarding the Group's activities. The decision-making authorities of the Group are the general manager and the board of directors.

The decision-making authority of the Group is responsible for making decisions regarding the resources to be allocated to the departments and your departments of your performance evaluation for the purpose of results And activities product varieties is examined on a basis.

The distribution of the Group's operating segments based on product groups is as follows: Textile and apparel.

a) Department revenues:	**1 January - March 31 2024**	**1 January - March 31 2023**
Textile	353,355,454	648,649,559
apparel	3,256	34,718,042
	353,358,710	**683,367,601**

b) Department assets:	**March 31, 2024**	**December 31, 2023**
Textile	3,924,975,520	4,063,699,076
apparel	2,235,456	10,472,150
Department assets	**3,927,210,976**	**4,074,171,226**

c) Department liabilities:	**March 31, 2024**	**December 31, 2023**
Textile	966,609,901	1,151,453,573
apparel	22	--
Department obligations	**966,609,923**	**1,151,453,573**

NOTE 3 – SEGMENT REPORTING (Continued)

d-1) 1 January – 31 March 2024 period section analysis:

	Textile	apparel	Total
sales revenue	353,355,454	3,256	353,358,710
Cost of sales	(297,310,240)	(4,511)	(297,314,751)
Gross operating profit	**56,045,214**	**(1,255)**	**56,043,959**
General and administrative expenses	(14,162,313)	--	(14,162,313)
Marketing, Sales and Distribution Expenses	(50,171,721)	--	(50,171,721)
Research and development expenses	(2,593,664)	--	(2,593,664)
Impairment gain/(loss) on trade receivables	(69,253)	--	(69,253)
Other income from main activities	30,776,975	--	30,776,975
Other expenses from main activities	(21,277,606)	--	(21,277,606)
Section result	**(1,452,368)**	**(1,255)**	**(1,453,623)**

d-2) 1 January – 31 March 2023 period section analysis:

	Textile	apparel	Total
sales revenue	648,649,559	34,718,042	683,367,601
Cost of sales	(542,945,303)	(23,342,269)	(566,287,572)
Gross operating profit	**105,704,256**	**11,375,773**	**117,080,029**
General and administrative expenses	(18,648,389)	--	(18,648,389)
Marketing, Sales and Distribution Expenses	(37,990,577)	(4,953,370)	(42,943,947)
Research and development expenses	(4,475,348)	--	(4,475,348)
Impairment gain/(loss) on trade receivables	931,070	--	931,070
Other income from main activities	45,950,006	--	45,950,006
Other expenses from main activities	(23,298,423)	--	(23,298,423)
Section result	**68,172,595**	**6,422,403**	**74,594,998**

e) Investment expenses:

	1 January - March 31, 2024	1 January - March 31, 2023
Textile	42,271,102	29,930,874
	42,271,102	**29,930,874**

NOTE 3 – SEGMENT REPORTING (Continued)

f-1) Expenses that do not require cash outflow for the period 1 January - 31 March 2024:

	Textile	apparel	Total
- Depreciation and amortization	51,750,205	--	51,750,205
- Provisions for benefits provided to employees	15,256,541	--	15,256,541
- In return for litigation	3,950	--	3,950
	67,010,696	**--**	**67,010,696**

f-2) Do not require cash outflow for the period 1 January - 31 March 2023 expenses:

	Textile	apparel	Total
- Depreciation and amortization	138,637,488	--	138,637,488
- Provisions for benefits provided to employees	16,483,809	3,461	16,485,863
- Provision for Lawsuit	17,908	--	17,908
	155,139,205	**3,461**	**155,141,259**

NOTE 4 – CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023
Bank		
-Demand deposit	15,538,774	28,604,914
-Term deposit	375,319,475	513,886,314
Cash and Cash Equivalents in the Statement of Cash Flows	**390,858,249**	**542,491,228**
Dividend accrual	33,273,375	8,039,467
	424.131.624	**550,530,695**

Due 31.03.2024 Deposits

Currency type	Foreign Exchange Amount	TL Amount	Maturity	Dividend Rate
Turkish lira	30,000,000	30,000,000	26.04.2024	48.00%
Turkish lira	180,000,000	180,000,000	25.04.2024	46.50%
Turkish lira	30,000,000	30,000,000	17.04.2024	47.50%
Euro	750,000	26,101,725	15.04.2024	47.50%
Turkish lira	30,000,000	30,000,000	05.04.2024	45.50%
USD	501,566	16,193,253	02.04.2024	45.50%
USD	496,816	16,039,919	01.04.2024	40.50%
USD	215,201	6,947,839	01.04.2024	40.50%
Euro	1,140,218	39,682,217	01.04.2024	35.00%
Turkish lira	354,571	354,522	01.04.2024	35.00%
		375,319,475		

NOTE 4 – CASH AND CASH EQUIVALENTS (continued)

Due 31.12.2023 deposits

Currency type	Foreign exchange amount	TL Amount	Maturity	Interest rate
TL	180,000,000	207,114,521	25.04.2024	48.00%
TL	30,000,000	34,519,087	05.04.2024	46.50%
TL	30,000,000	34,519,087	22.03.2024	47.50%
TL	30,000,000	34,519,087	29.03.2024	47.50%
TL	14,000,000	16,108,907	15.01.2024	45.50%
TL	45,000,000	51,778,631	15.01.2024	45.50%
TL	19,965,000	22,972,452	12.01.2024	40.50%
TL	28,000,000	32,217,815	08.01.2024	40.50%
TL	8,050,000	9,245,362	02.01.2024	35.00%
TL	7,082,000	8,149,476	02.01.2024	35.00%
Euro	200,000	7,496,142	08.01.2024	4.00%
Euro	600,000	22,488,426	08.01.2024	4.00%
Euro	78,435	2,939,821	02.01.2024	0.35%
USD	350,000	11,855,431	22.01.2024	4.00%
USD	500,000	16,936,330	29.01.2024	4.00%
USD	30,282	1,025,739	02.01.2024	0.90%
Total		**513,886,314**		

(*) Other liquid assets consist of credit card receivables and their maturity is less than 3 months.

The Group has no blocked deposits as of 31 March 2024 and 31 December 2023.

Explanations regarding the nature and level of risks in cash and cash equivalents are disclosed in Footnote 26.

NOTE 5 – FINANCIAL INVESTMENTS

Short-Term Financial Investments	March 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss (*)	19,060,220	21,147,193
	19,060,220	**21,147,193**

(*) Financial assets whose fair value difference is reflected in profit or loss consist of investment funds.

NOTE 6 – RELATED PARTY DISCLOSURES

a) Fees and similar benefits paid to members of the Board of Directors and senior management personnel:

	1 January- March 31, 2024	1 January- March 31, 2023
Wages and other short-term benefits	5,787,403	5,577,893
Other long-term benefits	2,037,059	1,903,575
	7,824,462	**7,481,468**

There are no receivables or debts from senior managers.

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables	1 January-March 31, 2024	1 January-December 31, 2023
Buyers	361,213,197	385,406,862
Notes and checks receivable	20,929,164	52,021,057
Provision for doubtful receivables	(4,946,572)	(5,612,020)
	377,195,789	**431,815,899**
Less: Unaccrued finance income	(493,161)	(955,508)
Trade receivables, net	**376,702,628**	**430,860,391**

Trade receivables generally have a maturity of less than 90 days (31 December 2023: less than 90 days), and as of 31 March 2024, trade receivables in TL and foreign currency are at an annual rate of 14.78% (31 December 2023: 11.85%) and market profit, respectively. Discount using share rates has been made.

Explanations regarding the nature and level of risks in trade receivables are given in Footnote 26.

Provision for Doubtful Receivables	one Fireplace-March 31 2024	one Fireplace-March 31 2023
1 January	(5,417,957)	(8,962,753)
Provision allocated during the period	(95,809)	(925,946)
Provision that no longer exists within the period	26,556	(5,124)
Inflation effect	540,638	4,281,803
	(4,946,572)	**(5,612,020)**

Short-term trade payables	March 31, 2024	December 31, 2023
Debts to foreign sellers	236,603,486	237,632,335
Debts to domestic sellers	88,976,941	123,843,875
Business and service debts	15,906,699	6,128,196
	341,487,126	**367,604,406**
Less: Unaccrued finance expense	(6,232,144)	(7,323,237)
Trade payables, net	**335,254,982**	**360,281,169**

The maturity of commercial payables is longer than 90 days and (2023: longer than 90 days) on 31 March 2024 in TL and foreign currency. money in commercial debts respectively yearly 14.78% (31 December 2023: 11.85%) And market snow Discount using share rates has been made.

Explanations regarding the nature and level of risks in trade payables are given in Footnote 26.

NOTE 8 - OTHER RECEIVABLES AND DEFERRED REVENUE

Other receivables	**March 31, 2024**	**December 31, 2023**
Minimum wage income tax exemption	2,408,242	2,401,842
Income accruals (*)	2,353,169	1,073,294
Receivables from personnel	249,084	265,172
Deposits and guarantees given	650,998	705,766
Other	73,881	116,031
	5,735,374	**4,562,105**

(*) As of 31 March 2024 and 31 December 2023, income accruals consist of incentive accruals.

Deferred revenues	**March 31, 2024**	**December 31, 2023**
Received advances (*)	56,593,558	97,024,436
	56,593,558	**97,024,436**

(*) It consists of revenues related to sales arising from contractual obligations, for which payment has been received but control transfer has not yet occurred. Once the control transfer takes place, it will be recognized in the statement of profit or loss.

NOTE 9 – INVENTORIES

	March 31, 2024	**December 31, 2023**
Raw materials	175,789,885	186,614,063
semi-finished products	159,149,571	165,095,433
finished goods	280,016,673	199,719,221
Trade goods	12,037	1,069,660
Other stocks	73,390,702	71,652,427
Stock impairment (-)	(37,947,438)	(35,766,723)
	650,411,430	**588,384,081**

Movements in response to stock impairment are as follows:

	1 January- March 31, 2024	**1 January- March 31, 2023**
1 January	(35,766,723)	(28,634,565)
Provision allocated during the period	(2,180,715)	(2,094,674)
	(37,947,438)	**(2,094,674)**

Provision for impairment on inventories and the provision used are included in the cost of goods sold. shown.

NOTE 10 - PREPAID EXPENSES

Short term	March 31, 2024	December 31, 2023
Prepaid dividend expenses	21,742,834	18,389,052
Insurance expenses	16,472,488	17,520,517
Consultancy and fair advances	7,875,784	6,348,536
Stock advances	970,297	3,634,424
Other	8,069,751	2,753,229
	55,131,155	**48,645,758**

Uzun vadeli	31 Mart 2024	31 Aralık 2023
Danışmanlık giderleri	469.410	173.186
Diğer	124.211	492.802
	593.621	**665.988**

NOTE 11 - PROPERTY AND FIXED ASSETS

Movements of tangible fixed assets during the period are as follows:

	January 1, 2024	Additions	Outputs	Transfers	March 31, 2024
Cost price:					
Land and plots	1,812,041,500	--	--	--	1,812,041,500
Underground and surface layouts	118,671,280	--	--	--	118,671,280
Buildings	722,397,305	13,376	--	165,215	722,575,896
Machinery, plant and equipment	2,769,787,415	2,730,294	--	48,989,126	2,821,506,835
vehicles	1,561,274	--	--	--	1,561,274
Flooring and fixtures	115,432,590	378,049	--	--	115,810,639
special costs	12,161,148	--	--	--	12,161,148
Ongoing investments	56,716,123	508,098	--	(49,154,341)	8,069,880
	5,608,768,635	**3,629,817**	**--**	**--**	**5,612,398,452**
Accumulated depreciation:					
Aboveground and underground layouts	(109,862,910)	(276,925)	--	--	(110,139,835)
Buildings	(539,819,548)	(2,602,119)	--	--	(542,421,667)
Machinery, plant and equipment	(2,567,564,716)	(11,130,748)	--	--	(2,578,695,464)
vehicles	(1,525,940)	(19,840)	--	--	(1,545,780)
Flooring and fixtures	(97,094,008)	(1,174,095)	--	--	(98,268,103)
special costs	(8,682,984)	(627,468)	--	--	(9,310,452)
	(3,324,550,106)	**(15,831,195)**	**--**	**--**	**(3,340,381,301)**
Net book value	**2,284,218,529**				**2,272,017,151**

NOTE 11 - TANGIBLE ASSETS (Continued)

Movements of tangible fixed assets in the past period are as follows:

	January 1, 2023	Additions	Outputs	Transfers	tangible asset value increase (*)	March 31, 2023
Cost price:						
Land and plots	6,398,171	--	--	--	1,734,593,673	1,740,991,844
Underground and surface layouts	116,183,572	63,261	--	--	--	116,246,833
Buildings	693,004,710	--	--	--	--	693,004,710
Machinery, plant and equipment	2,717,893,738	16,670,228	(2,131,259)	36,727,534	--	2,769,160,241
vehicles	1,561,274	--	--	--	--	1,561,274
Flooring and fixtures	105,973,457	7,984,027	--	--	--	113,957,484
special costs	12,161,148	--	--	--	--	12,161,148
Ongoing investments	111,019,667	--	--	(36,727,534)	--	74,292,133
	3,764,195,737	**24,717,516**	**(2,131,259)**	**--**	**1,734,593,673**	**5,521,375,667**
Accumulated depreciation:						
Aboveground and underground layouts	(108,704,905)	(1,174,794)	--	--	--	(109,879,699)
Buildings	(528,287,065)	(12,318,808)	--	--	--	(540,605,873)
Machinery, plant and equipment	(2,591,663,939)	(41,623,515)	1,635,747	--	--	(2,631,651,707)
vehicles	(1,404,597)	(133,798)	--	--	--	(1,538,395)
Flooring and fixtures	(92,045,040)	(5,444,870)	--	--	--	(97,489,910)
special costs	(6,250,754)	(2,681,928)	--	--	--	(8,932,682)
	(3,328,356,300)	**(63,377,713)**	**1,635,747**	**--**	**--**	**(3,390,098,265)**
Net book value	**435,839,437**					**2,131,277,402**

(*) As of March 31, 2023, the Group changed its accounting policy and stopped measuring the land and plots included in the tangible fixed assets at cost and started to revalue them and measure them at their fair value, and the value increase effect was accounted in the other comprehensive income statement.

Of the current period depreciation expenses, 40,032,011 TL were included in the cost of goods sold and 1,368,153 TL were included in operating expenses. (As of March 31, 2023, 104,750,816 TL of depreciation expenses are included in the cost of goods sold and 6,159,174 TL are included in operating expenses.

As of 31 March 2024, the insurance coverage for tangible fixed assets in 2024 is 92.753.296 USD (31 December 2023: 98.982.632 USD).

Pursuant to the loan agreement made by the Group with the Development and Investment Bank of Türkiye There is a machinery and equipment pledge of 20,000,000 TL. (31 December 2023: 20,000,000 TL.)

NOTE 11.1 - RIGHT OF USE ASSETS

	January 1, 2024	Additions	Outputs	March 31, 2024
Cost				
real estate	22,410,760	--	--	**22,410,760**
vehicles	35,275,453	5,168,001	--	**40,443,454**
Total	**57,686,213**	**5,168,001**	**--**	**62,854,214**
Accumulated depreciation				
real estate	(16,200,013)	(4,653,581)	--	(20,853,594)
vehicles	(24,500,350)	(6,770,776)	--	(31,271,126)
Total	**(40,700,363)**	**(11,424,357)**	**--**	**(52,124,720)**
Net Book Value	**16,985,850**			**10,729,494**

8,837,453 TL of depreciation expenses for the period ending on March 31, 2024 will be included in the cost of goods sold, 302,033 TL activity expenses including has been (31 March 2023 date as of 7,658,269 TL of depreciation expenses are included in the cost of goods sold, and 450,293 TL are included in operating expenses. has been made).

	January 1, 2023	Additions	Outputs	March 31, 2023
Cost				
real estate	22,410,760	--	--	22,410,760
vehicles	23,553,317	--	--	23,553,317
Total	**45,964,077**	**--**	**--**	**45,964,077**
Accumulated depreciation				
real estate	(11,473,669)	(4,360,071)	--	(15,833,740)
vehicles	(19,850,967)	(5,775,632)	--	(25,626,599)
Total	**(31,324,636)**	**(10,135,703)**	**--**	**(41,460,339)**
Net Book Value	**14,639,441**			**4,503,738**

NOTE 11.2 - INTANGIBLE ASSETS

	January 1, 2024	Additions	Outputs	Transfers	March 31, 2024
Cost price:					
rights	4,535,173	--	--	--	4,535,173
Computer programs	104,067,506	76,265	--	--	104,143,771
Ongoing R&D projects	22,977,920	--	--	51,974,848	74,952,768
Activated development projects	399,336,022	--	--	(51,974,848)	347,361,174
	530,916,621	**76,265**	**--**	**--**	**530,992,886**
Accumulated depreciation:					
rights	(2,617,509)	(94,207)	--	--	(2,711,716)
Computer programs	(96,367,681)	(6,928,033)	--	--	(103,295,714)
R&D projects	(309,479,126)	(17,472,414)	--	--	(326,951,540)
	(408,464,316)	**(24,494,653)**	**--**	**--**	**(432,958,970)**
Net book value	**122,452,305**				**98,033,916**

Current period amortization of their shares 18,948,142 TL sold of goods to the cost, 647,581 TL activity expenses, included has been made. (31 March 2023 date as of amortization of their shares 49,206,025 TL sold of goods (2,893,233 TL is included in the operating expenses.) There is no pledge or mortgage on intangible assets (2023: Not available).

	January 1, 2023	Additions	Outputs	Transfers	March 31, 2023
Cost price:					
rights	3,883,416	--	--	--	3,883,416
Computer programs	103,460,792	--	--	--	103,460,792
Ongoing R&D projects	22,434,621	--	--	(3,217,108)	19,217,513
Activated development projects	378,497,720	22,338,372	--	3,217,108	404,053,200
	508,276,549	**22,338,372**	**--**	**--**	**530,614,921**
Accumulated depreciation:					
rights	(2,438,400)	(161,006)	--	--	(2,599,406)
Computer programs	(96,076,450)	(1,639,282)	--	--	(97,715,732)
R&D projects	(281,715,052)	(63,323,784)	--	--	(345,038,836)
	(380,229,902)	**(65,124,072)**	**--**	**--**	**(445,353,974)**
Net book value	**128,046,647**				**85,260,947**

NOTE 12 - GOVERNMENT INCENTIVES AND AID

	March 31, 2024	December 31, 2023
Development incentive (*)	6,521,070	7,503,379
	6,521,070	**7,503,379**

(*) As a result of the Group R&D Center application, it was entitled to receive the R&D Center Certificate from the Ministry of Industry and Trade as of October 25, 2010, numbered 5746, Supporting Research and Development Activities. About Law within the framework provided from the amounts And R&D Central staff fees Income Tax, SSK Incentive, TUBITAK-approved projects and incentive amounts received regarding EU Horizon 2020 is formed.

Government incentives, which are a financing tool, are associated with the statement of financial position (balance sheet) as an element that reduces investment costs, instead of being recognized in profit or loss in order to clarify the expenditure item they finance, and are systematically reflected in profit or loss throughout the economic life of the relevant assets.

NOTE 13 - SHORT-TERM DEBTS

	March 31, 2024		December 31, 2023	
	Annual Weighted Average Effective Dividend Rate %	TL	Annual Weighted Average Effective Dividend Rate %	TL
Short-term bank loans :				
TL loans	11.00	192,658,182	11.00	256,037,483
Dividend / interest accrual		10,098,014		10,923,709
Dividend / interest accrual (Short-term part of long-term credit)		3,611,149		3,364,905
Other short-term borrowings		7,346,526		11,124,065
Short-term payables from leasing transactions TL		8,260,938		7,124,248
Total short-term borrowing		**221,974,809**		**288,574,410**
Long-term bank loans :				
TL loans	14.08	44,544,545	9.75	51,496,201
Long-term debts from leasing transactions TL		3,995,343		3,372,033
Total long-term debt		**48,539,889**		**54,868,234**

Explanations regarding the nature and level of risks in borrowings are explained in Footnote 26. All loans are unsecured.

NOTE 13 - SHORT-TERM DEBTS (Continued)

Reconciliation of liabilities arising from financing activities

	March 31, 2024	March 31, 2023
1 January Financial liabilities at the beginning of the period	343,442,644	227,900,910
Principal inflows during the period	27,481,818	50,548,612
Principal payments during the period	(60,000,000)	(6,546,935)
Period interest / dividend payment	(10,098,014)	(3,726,097)
Period interest / dividend expense	14,006,941	5,713,781
Inflation effect	(44,318,691)	(25,361,212)
End-of-period financial liabilities	**270,514,698**	**248,529,059**

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	March 31, 2024	December 31, 2023
Bail and guarantee bonds received	177,860,905	187,059,056
Letters of guarantee received	125,353,109	181,598,302
Mortgages taken	655,000	753,667
	303,869,014	**369,411,025**

The guarantees received were mainly received from customers regarding the sales made. The part of the letters of guarantee received that relates them to financial risk is shown in Footnote 26. The group also insures its exports with Türk Eximbank.

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The tables regarding the Group's collateral/mortgage/pledge ("GPM") position as of 31 March 2024 and 31 December 2023 are as follows:

March 31, 2024

	Euro	TL	Total TL Equivalent
A. Total amount of GPMs given on behalf of its own legal entity	--	333,008,867	333,008,867
Guarantee	--	313,008,867	313,008,867
Pledge	--	20,000,000	20,000,000
Mortgage	--	--	--
B. Total amount of GPMs given in favor of partnerships and affiliates included in the scope of full consolidation	--	--	--
C. The total amount of GPMs given to other third parties for the purpose of carrying out their ordinary commercial activities	--	--	--
D. Total Amount of Other GPMs Given	--	--	--
Total	**--**	**333,008,867**	**333,008,867**

December 31, 2023

	Euro	TL	Total TL Equivalent
A. Total amount of GPMs given on behalf of its own legal entity	--	407.217.039	407.217.039
Guarantee	--	369,298,301	369,298,301
Pledge	--	37,918,738	37,918,738
Mortgage	--	--	--
B. Total amount of GPMs given in favor of partnerships and affiliates included in the scope of full consolidation	--	--	--
C. The total amount of GPMs given to other third parties for the purpose of carrying out their ordinary commercial activities	--	--	--
D. Total Amount of Other GPMs Given	--	--	--
Total	**--**	**407.217.039**	**407.217.039**

The letters of guarantee given are related to various Customs Directorates. As of 31 March 2024 and 31 December 2023, there are no other GPMs given by the Group.

NOTE 15 - COMMITMENTS

The Group has an export commitment of USD 15,582,280 within the scope of inward processing permits (December 31, 2023: USD 15,586,118).

Rental Agreements:

The Group's direct expenses associated with operating leases that are not included in the scope of TFRS 16 for the accounting period ending on 31 March 2023 are 131,557 TL. (31 March 2023: 285,045 TL)

The Group's non-cancellable operating lease obligations regarding operating leases are as follows:

	March 31, 2024	December 31, 2023
in 1 year	275,784	293,950
	275,784	**293,950**

NOTE 16 - PAYABLES WITHIN THE SCOPE OF EMPLOYEE BENEFITS

Liabilities within the scope of short-term employee benefits:

	March 31, 2024	December 31, 2023
Workers' wages to be paid	16,475,384	18,243,494
Taxes and funds payable	6,317,903	11,216,759
Social security deductions payable	20,920,488	21,313,181
Unused leave liability	14,141,391	13,895,393
	57,855,166	**64,668,827**

Long-term provisions for long-term employee benefits:

	March 31, 2024	December 31, 2023
Provision for severance pay	97,619,708	97,066,287
	97,619,708	**97,066,287**

According to the Turkish Labor Law, those who have completed one year in the Group and whose relationship with the Group has been terminated or retired, 25 service year (in women 20) filler And his retirement winning, conscription called or death Paying severance pay to employees who is obliged.

As of March 31, 2024, the severance pay to be paid is subject to a ceiling of 35,058.58 TL (31 December 2023: 25,633.45 TL) based on one month's salary for each year of service.

TAS 19 "Employee Benefits" requires the Group's obligations to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly , the actuarial assumptions used in calculating total liabilities are stated below :

NOTE 16 – LIABILITIES WITHIN THE SCOPE OF EMPLOYEE BENEFITS (More)

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation . Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation . Therefore , as of March 31 , 2024 , provisions in the attached consolidated financial statements are calculated by estimating the present value of the possible future liability arising from the retirement of employees. Provisions at the relevant balance sheet dates were calculated using the real discount rate obtained as approximately 3%, based on the assumptions of 21.41 % annual inflation and 10.6% discount rate (31 December 2023: 3%). The turnover rate rate for estimating the probability of retirement was calculated as 95.34% . The estimated rate of severance pay amounts that will not be paid as a result of voluntary resignations and will remain with the Group has also been taken into account. As of March 31, 2024, the probability of Group employees leaving their jobs voluntarily is 3.36%. (December 31, 2023: 7.87%).

The movements of the severance pay provision for the periods ending on March 31, 2024 and 2023 are as follows:

	2024	2023
1 January	97,066,287	217,519,037
interest cost	5,144,795	5,771,892
service cost	3,883,651	5,865,788
Actuarial loss / (gain)	11,302,880	11,635,899
Payments	(3,524,152)	(91,780,944)
Inflation effect	(16,253,753)	(13,817,662)
March 31	**97,619,708**	**135,194,010**

NOTE 17 - OTHER ASSETS AND SHORT-TERM PROVISIONS

Other current assets	March 31, 2024	December 31, 2023
deferred VAT	10,181,577	886,406
VAT to be refunded	3,601,004	4,324,473
Other	881,782	507,452
	14,664,363	**5,718,331**

Diğer karşılıklar	31 Mart 2024	31 Aralık 2023
Dava karşılıkları	2.558.825	9.117.004
	2.558.825	**9.117.004**

Lawsuit provisions movement table

	2024	2023
1 January	9,117,004	7,863,463
Opposite	197,092	555,736
Inflation effect	(6,755,271)	838,652
March 31	**2,558,825**	**9,257,851**

NOTE 17 - OTHER ASSETS AND SHORT-TERM PROVISIONS (Continued)

Movements of short-term provisions for employee benefits for the periods ending 31 March 2024 and 31 December 2023 are as follows:

Short-term provisions for employee benefits	March 31, 2024	December 31, 2023
return for gesture	6,228,095	14,465,714
	6,228,095	**14,465,714**

Other short futures obligations	March 31, 2024	December 31 , 2023
Other Various debts	596,160	614,166
Payable Other Obligations	75,671	85,598
Other Various Foreign resources	548,925	5,579
	1,220,756	**705,343**

NOTE 18 - EQUITY

A) Paid Capital:

The Group's issued capital as of March 31, 2024 is 60,000,000 TL, divided into a total of 6,000,000,000 bearer shares, each with a nominal value of 1 Kurus. There are no privileged shares. (31 December 2023: A total of 6,000,000,000 bearer shares with a nominal value of 60,000,000 TL).

The paid-in capital of the company is 30,840,000 TL, with the approval of the Capital Markets Board published in the CMB bulletin No. 2023/42 dated July 27, 2023 and the registration dated 16.08.2023 published in the Trade Registry Gazette No. 10895 dated August 17, 2023, to be covered entirely from internal resources. It was increased to 60,000,000 TL with the share issue of nominal value shares.

The company has accepted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 ("CMB") and switched to this system with the permission of the Capital Markets Board ("CMB") dated 3 May 1990 and numbered 289. The registered capital ceiling of the Company has been increased to 500,000,000 TL. The increase in the registered capital ceiling was deemed appropriate by the decision of the Capital Markets Board dated 16.03.2023 and was registered by the Istanbul Trade Registry Office on 17 May 2023. The registered capital ceiling is 500,000,000 TL and consists of 50,000,000,000 shares with a nominal value of 1 Kurus each. .

As of 31 March 2024 and 31 December 2023, the Company's partnership structure is as follows:

	31 December 2024		31 December 2023	
	TL	Share (%)	TL	Share (%)
S ürmeg oz Tekstil Yatırım A.Ş.	34,729,438	57.88	34,729,438	57.88
Public part and other	25,270,562	42,12	25,270,562	42,12
Total paid capital	**60,000,000**	**one hundred**	**60,000,000**	**one hundred**
Capital adjustment differences *	1,065,892,418		1,065,892,418	
Inflation - adjusted capital	**1,125,892,418**		**1,125,892,418**	

(*) Capital adjustment differences express the difference between the total amounts of capital adjusted according to inflation accounting and the amounts before the correction. Capital adjustment differences have no use other than being added to the capital.

NOTE 18 – EQUITY (Continued)

A) Paid Capital: (Continued)

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd Repeat) , the 31 December 2020 tax procedure prepared in accordance with the Tax Procedure Law . The balance sheet dated 2023 has been corrected using the Producer Prices General Indices (" PPI") published by the Turkish Statistical Institute within the scope of inflation accounting practice . The attached financial statements are : Pursuant to TAS 29, inflation was adjusted using the CPI published by the Turkish Statistical Institute , and ultimately the amounts for the current and previous reporting period were calculated as of 31 December 2023 . It is expressed in terms of purchasing power , due to the use of different indices in the Tax Procedure Law and TMS 29 inflation accounting application and the amounts for previous reporting periods in TMS 29 application . related to the items " Capital Adjustment Differences " , " Premiums Related to Shares " and "Restricted Reserves Separated from Profit " due to being adjusted to the purchasing power of 31 December 2023 . There have been differences between the amounts in the balance sheet prepared in accordance with the Second Tax Procedure Law and the amounts in the financial statements prepared in accordance with TAS / TFRS . The differences in question are reflected in the " Prior Years ' Profits or Losses " item in the TMS / TFRS financial statements , and these differences are detailed below . given :

	March 31, 2024	
	Capital Adjustment Differences	**Restricted Reserves Separated from Profit**
According to TAS /TFRS Financial Statements	1,065,892,418	471,460,382
According to Tax Procedure Law	796,318,440	582,510,137
Difference	269,573,978	(111,049,755)

	31 December 2023	
	Capital Adjustment Differences	**Restricted Reserves Separated from Profit**
According to TAS /TFRS Financial Statements	1,056,854,244	471,460,382
According to Tax Procedure Law	813,959,867	459,677,459
Difference	242,894,377	11,782,924

B) Restricted Separated from Snow Substitutes:

These are reserves set aside from the profits of previous periods due to legal or contractual obligations or for certain purposes other than profit distribution. These reserves are shown over the amounts in the Company's legal records, and the differences arising in the preparation of consolidated financial statements in accordance with TFRS are associated with previous years' profit/loss.
The details of the Group's restricted reserves account allocated from profit as of 31 March 2024 and 31 December 2023 are as follows:

	March 31, 2024	**31 December 2023**
Legal Reserves	171,075,865	171,075,865
extraordinary reserves	300,384,518	300,384,518
Total	**471,460,383**	**471,460,383**

In accordance with Article 519 of the Turkish Commercial Code, 5% of the annual commercial profit is the first order general legal reserve fund until it reaches 20% of the paid/issued capital; After 5% dividend is paid to the shareholders, 10% of the total amount to be distributed to those who will receive a share from the profit is allocated as the second general legal reserve fund.

C) Foreign Currency Conversion Difference:

of the Group each of the business own financial tables in operation they are located basis economic around Presented in the valid currency (functional currency). The financial position and operating results of each business are expressed in TL, which is the valid currency of the Company and the presentation currency for consolidated financial statements. has been made.

The movement of foreign currency translation differences during the period is as follows:

	March 31, 2024	March 31, 2023
Balance at the beginning of the period	21,514,784	20,349,586
Foreign currency conversion difference	2,839,000	12,205,322
End of period balance	**24,353,784**	**32,554,909**

D) Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss

Aktüeryal kazançlar / (kayıplar)	31 Mart 2024	31 Aralık 2023
Dönem başı bakiyesi	(162.963.325)	(137.241.060)
Tanımlanmış fayda planları yeniden ölçüm kazançları/(kayıpları)	(11.302.880)	(32.152.831)
Tanımlanmış fayda planları yeniden ölçüm kazançları/(kayıpları), vergi etkisi	2.260.576	6.430.566
Dönem sonu bakiyesi	**(172.005.629)**	**(162.963.325)**

Tangible asset revaluation and measurement gains	March 31, 2024	December 31, 2023
Balance at the beginning of the period	1,534,796,829	--
Property, plant and equipment revaluation and measurement gains/(losses)	--	1,805,643,328
Tangible asset revaluation and measurement gains/(losses), tax impact	--	(270,846,499)
End of period balance	**1,534,796,829**	**1,534,796,829**

NOTE 19 - REVENUE AND COST OF SALES

a) Revenue	**1 January- March 31, 2024**	**1 January- March 31, 2023**
Overseas sales	146,529,249	282.285.180
Domestic Sales	206.100.711	398,259,027
Other sales	1,358,983	3,080,168
Sales returns (-)	(59,946)	(245,156)
Other discounts from sales (-)	(570,287)	(11,618)
net sales	**353,358,710**	**683,367,601**
Cost of sales	**(297,314,751)**	**(566,287,572)**
Gross profit	**56,043,959**	**117,080,029**

b) Cost of sales	**1 January- March 31, 2024**	**1 January- March 31, 2023**
Raw material and material expense	(139,089,886)	(209,711,391)
Direct labor expense	(84,629,892)	(121,069,872)
General production expenses	(105,733,837)	(157,497,732)
Depreciation expenses	(40,032,011)	(104,750,816)
Change in semi-finished goods stocks	(5,945,862)	(31,023,666)
Change in finished goods stocks	80,297,452	59,860,579
Cost of goods sold	**(295,134,036)**	**(564,192,898)**
Cost of merchandise sold	**--**	**--**
Change in stock impairment provision (Note: 9)	**(2,180,715)**	**(2,094,674)**
Cost of sales	**(297,314,751)**	**(566,287,572)**

NOTE 20 - MARKETING, GENERAL MANAGEMENT AND RESEARCH AND DEVELOPMENT EXPENSES

General and administrative expenses

	1 January- March 31, 2024	**1 January- March 31, 2023**
Trip	(6,077,794)	(6,141,403)
consultancy	(3,079,835)	(1,232,142)
Rent	(1,622,630)	(1,246,392)
Employee	(754,394)	(5,618,856)
Depreciation and amortization	(564,521)	(2,309,275)
Representation and hosting	(215,043)	(339,795)
Other	(1,848,096)	(1,760,526)
Total general administrative expenses	**(14,162,313)**	**(18,648,389)**

NOTE 20 - MARKETING, GENERAL MANAGEMENT AND RESEARCH AND DEVELOPMENT EXPENSES (Continued)

Marketing expenses

	1 January- March 31, 2024	1 January- March 31, 2023
Advertising expenses	(13,510,803)	(6,006,709)
Export and freight	(6,561,768)	(9,777,109)
Travel and communication expenses	(6,459,479)	(1,510,672)
consultancy	(5,311,416)	(4,664,332)
Shipping expenses	(3,977,005)	(1,299,546)
Employee	(2,490,187)	(9,362,804)
Transportation	(2,997,506)	(83,971)
Rent	(655,205)	(767,451)
Depreciation and amortization	(570,691)	(1,171,450)
Other	(7,637,661)	(8,299,903)
Total marketing expenses	**(50,171,721)**	**(42,943,947)**

Research and development expenses

	1 January- March 31, 2024	1 January- March 31, 2023
Employee	(1,313,302)	(1,630,879)
Depreciation and amortization	(232,941)	(2,678,449)
Other	(1,047,420)	(166,020)
Total research and development expenses	**(2,593,664)**	**(4,475,348)**

NOTE 21 - OTHER INCOME/(EXPENSES) FROM OPERATING ACTIVITIES AND INCOME FROM INVESTMENT ACTIVITIES

	1 January- March 31, 2024	1 January- March 31, 2023
Trade receivables and payables exchange rate differences income	16,512,301	24,742,525
Rediscount income	4,748,109	8,462,330
Incentives	3,123,615	6,172,033
Fair incentive revenues	476,542	100,975
Raw material and scrap sales income	412,608	707,762
Price difference advertising revenues	32,426	1,488
Other	5,471,374	5,762,893
Total other income from main activities	**30,776,975**	**45,950,006**

NOTE 21 - OTHER INCOME/(EXPENSES) FROM OPERATING ACTIVITIES AND INCOME FROM INVESTMENT ACTIVITIES (Continued)

	1 Ocak- 31 Mart 2024	1 Ocak- 31 Mart 2023
Maddi duran varlık satış karı /(zararı) net	--	(377.592)
Menkul kıymet satış karı	773.572	654.391
Toplam yatırım faaliyetlerinden gelirler	**773.572**	**276.799**

	1 January- March 31, 2024	1 January- March 31, 2023
Trade receivables and payables exchange rate difference expenses	(14,489,711)	(14,571,693)
Rediscount expenses	(4,626,567)	(5,216,313)
Fees and dues	(350,315)	(1,131,975)
Disallowable expenses	(1,142,605)	(2,165,969)
Provisions for lawsuits	(3,950)	(17,908)
Other	(664,458)	(194,565)
Other expenses from main activities	**(21,277,606)**	**(23,298,423)**

NOTE 22 - EXPENSES BY NATURE

A) Tahakkuk eden ücret ve maaşlar	1 Ocak- 31 Mart 2024	1 Ocak- 31 Mart 2023
Satılan malın maliyetine giden	(84.629.892)	(121.069.872)
Pazarlama, satış ve dağıtım giderlerindeki	(2.490.187)	(9.362.804)
Genel yönetim giderlerindeki	(754.394)	(5.618.856)
Araştırma geliştirme giderlerindeki	(1.313.302)	(1.630.879)
Geliştirme projelerinde aktifleşen	(5.321.524)	(4.282.810)
	(94.509.299)	**(141.965.221)**

B) Depreciation expenses and amortization distribution	1 January- March 31, 2024	1 January- March 31, 2023
goes to cost of goods sold	(40,032,011)	(104,750,816)
Marketing, sales and distribution expenses	(570,691)	(1,171,450)
Research and development expenses	(232,941)	(2,678,449)
In general administrative expenses	(564,521)	(2,309,275)
	(41,400,164)	**(110,909,990)**

NOTE 23 - FINANCIAL INCOME AND EXPENSES

	1 January- March 31, 2024	1 January- March 31, 2023
Dividend / Interest Expense	(10,294,891)	(6,593,442)
Exchange rate difference (expense)/income	(1,837,389)	1,768,496
Other financial expenses	(3,464,551)	(6,573,726)
Dividend income	42,200,429	7,689,998
Total	**26,603,598**	**(3,708,674)**

NOTE 24 - TAX ASSETS AND LIABILITIES

Tax amounts reflected in the consolidated statement of financial position are as follows.

	March 31, 2024	December 31, 2023
Corporate tax payable	(20,558,049)	(141,408,802)
Minus: Prepaid taxes	--	116,788,602
(Current profit tax liability) / assets related to current period tax, net	**(20,558,049)**	**(24,620,200)**

Corporation tax

The Company, which is the main shareholder of the Group, is subject to corporate tax valid in Turkey. In Turkey, the corporate tax rate is 25% (2023: 25%). Necessary provisions have been made in the attached financial statements for the estimated tax liabilities regarding the Group's current period operating results. The corporate tax rate is applied to the net corporate income, which will be found as a result of adding the expenses that are not deductible in accordance with the tax laws to the commercial income of the institutions and deducting the exemptions and deductions in the tax laws.

In the Group's consolidated financial statements, the effective tax rate is calculated as 20% (for its subsidiaries located in Turkey) due to deferred tax assets and liabilities, deductions and exemptions benefited from.

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

The tax amounts reflected in the income statements for the years ending March 31, 2023 and 2022 are listed below:

	1 January- March 31, 2024	1 January- March 31, 2023
Current period tax expense	--	(29,961,081)
Deferred tax income / (expense)	25,157,077	2,463,982
	25,157,077	**(27,497,099)**

Deferred Tax

recognizes deferred tax assets and liabilities based on temporary timing differences arising from differences between its tax financial statements and its financial statements prepared in accordance with TFRS . These differences generally arise from the fact that some income and expense items are included in different periods in the tax- based financial statements and the financial statements prepared in accordance with TFRS , and the differences in question are stated below.

In the consolidated financial statements dated 31 March 2024, deferred tax assets and liabilities are calculated with a 20% tax rate. Since businesses in Turkey cannot declare tax returns, subsidiaries with deferred tax assets cannot be netted with subsidiaries with deferred tax liabilities and are shown separately.

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of 31 March 2024 and 31 December 2023, using the applicable tax rates, is as follows:

	Accumulated temporary differences		Deferred tax asset/(liability)	
	March 31, 2024	**31 December 2023**	**March 31, 2024**	**31 December 2023**
Tangible and intangible assets	1,337,100,378	1,440,391,594	(161,976,146)	(201,346,247)
Right of use assets	6,278,809	7,035,703	(1,255,762)	(1,407,140)
Stocks	(56,270,867)	(76,178,822)	11,254,173	15,235,763
Provision for severance pay	(127,639,376)	(193,758,953)	25,527,876	38,751,790
Unused leave liability	(14,141,391)	(13,895,393)	2,828,278	2,779,079
Other provisions	(29,788,344)	(30,841,089)	5,957,669	6,168,218
Provision for doubtful receivables	(4,946,572)	(5,612,020)	989,314	1,122,404
Unaccrued finance expense (net)	(24,186,594)	8,641,362	4,837,319	(1,728,272)
Derivative financial liabilities	(289,988)	639,579	57,998	(127,916)
Prepaid expenses	6,790,848	1,186,019	(1,358,170)	(237,205)
Deferred revenues	(4,487,439)	(7,000,953)	897,488	1,400,191
Other	928,251	2,269,657	(185,651)	(453,932)
Deferred tax assets - net	**1,089,347,715**	**1,132,876,684**	**(112,425,614)**	**(139,843,267)**

NOTE 24 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of period tax expense to period profit is as follows:

	2024	2023
1 Ocak bakiyesi	**(139.843.267)**	**70.359.072**
Kar veya zarar tablosuna yansıtılan	25.157.077	2.463.982
Diğer kapsamlı gelir tablosuna yansıtılan	2.260.576	(344.591.555)
31 Mart bakiyesi	**(112.425.614)**	**(271.768.501)**

	31 Mart 2024	31 Aralık 2023
Bir yıldan uzun sürede yararlanılması beklenen ertelenmiş vergi varlıkları	(136.448.271)	(162.594.457)
	(136.448.271)	**(162.594.457)**

	1 January March 31, 2024	1 January March 31, 2023
Pre-tax profit	**18,929,627**	**44,274,520**
Calculated Corporate tax (25/20%)	(4,732,407)	(8,854,904)
Tax impact:		
Disallowable expenses	(462,605)	(578,450)
Reduced corporate tax application (*)	1,801,418	2,282,537
R&D discount	422,693	1,511,726
Lump sum expense deduction	--	379,073
Other exceptions	--	7,610,476
Inflation effect	28,127,978	(30,383,600)
Other	--	536,043
Tax provision income/(expense) in the income statement	**25,157,077**	**(27,497,099)**

(*) Based on the changes in the Corporate Tax Law No. 7351 dated January 22, 2021, the exporter and/or manufacturer to companies applied 1% institutions tax discount amount Contains.

NOTE 25 - EARNINGS/(LOSS) PER SHARE

	March 31, 2024	March 31, 2023
Net period (loss) / profit	44,086,704	16,777,421
Each with a nominal value of 1 Kr weighted average number of shares	6,000,000,000	6,000,000,000
Diluted earnings per share (Kr)	0.0073	0.0028

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a.1 Credit risk management

As of the balance sheet date, the amounts of overdue receivables and the guarantees received for these receivables are as follows:

	March 31, 2024	December 31, 2023
1-30 days past due	14,554	46,180,052
1-3 months past due	27,683	7,188,425
3-12 months past due	118,712	442,646
1-5 years past due	1,475,804	3,373,336
~~**Total overdue receivables**~~	~~**1,636,753**~~	~~**57,184,459**~~
Part secured by collateral etc.	**10,352,818**	**42,731,432**

Received for overdue receivables for which no provision has been made guarantees:

	March 31, 2024	December 31, 2023
export insurance	10,352,818	42,731,432
	10,352,818	**42,731,432**

Credit risk, customer base constituent establishment of the number multiplicity therefore is distributed. The following tables provide information on exposure to credit risk and ECLs for trade receivables and contract assets for sales customers as of 31 March 2024 and 31 December 2023. gives.

March 31, 2024

	weighted average loss rate % *	Net book value	Loss provision
Current (not overdue)	(0.01)	375,065,874	140,409
1–30 days past due	(0.06)	14,554	959
31–90 days past due	(0.07)	27,683	1,176
91–360 days past due	(0.09)	118,712	13,810
Those overdue for 360 days or more	(0.11)	1,475,804	10,342
		376,702,628	**166,696**

* TFRS 9 as required guarantees after deducting later remainder net they will receive over has been calculated. In the table place loss allowance calculated according to the expected credit loss model is the equivalent.

December 31, 2023

	weighted average loss rate % *	Net book value	Loss provision
Current (not overdue)	(0.01)	373,675,932	859,097
1–30 days past due	(0.06)	46,180,052	5,869
31–90 days past due	(0.07)	7,188,425	7,198
91–360 days past due	(0.09)	442,646	84,498
Those overdue for 360 days or more	(0.11)	3,373,336	63,276
		430,860,391	**1,019,938**

DİPNOT 26 - FİNANSAL ARAÇLARDAN KAYNAKLANAN RİSKLERİN NİTELİĞİ VE DÜZEYİ (Devamı)

	receivables						
Exposure by financial instrument types credit risks	**Commercial receivables**		**Other they will receive**				
31 Mart 2024	**İlişkili taraf**	**Diğer taraf**	**İlişkili taraf**	**Diğer taraf**	**Bankalardaki**	**Finansal yatırımlar**	**Diğer**
Raporlama tarihi itibariyla maruz kalınan azami kredi riski (*) (A +B+C+D+E)	**-**	**376.702.628**	**-**	**5.735.375**	**424.131.624**	**19.060.220**	**-**
Azami riskin teminat, vs ile güvence altına alınmış kısmı	-	303.869.014	-	-	-	-	-
A. Vadesi geçmemiş ya da değer düşüklüğüne uğramamış finansal varlıkların net defter değeri	-	375.065.874	-	5.735.375	424.131.624	19.060.220	-
B. Koşulları yeniden görüşülmüş bulunan, aksi takdirde vadesi geçmiş veya değer düşüklüğüne Book value of financial assets that will be deemed to have suffered	-		-	-	-	-	-
C. Vadesi geçmiş ancak değer düşüklüğüne uğramamış varlıkların net defter değeri	-	1.636.753	-	-	-	-	-
Teminat, vs ile güvence altına alınmış kısmı	-	10.352.818	-	-	-	-	-
D. Değer düşüklüğüne uğrayan varlıkların net defter değerleri	-		-	-	-	-	-
-Vadesi geçmiş (brüt defter değeri)	-	4.946.572	--	-	-	-	-
-Değer düşüklüğü	-	(4.946.572)	-	-	-	-	-
-Net değerin teminat, vs ile güvence altına alınmış kısmı	-		-	-	-	-	-
-Vadesi geçmemiş (brüt defter değeri)	-	-	-	-	-	-	-
-Değer düşüklüğü	-	-	-	-	-	-	-
-Net değerin teminat, vs ile güvence altına alınmış kısmı	-	-	-	-	-	-	-
E. Bilanço dışı kredi riski içeren unsurlar	-	-	-	-	-	-	-

DİPNOT 26 - FİNANSAL ARAÇLARDAN KAYNAKLANAN RİSKLERİN NİTELİĞİ VE DÜZEYİ (Devamı)

		receivables					
Exposure by financial instrument types credit risks		**Commercial they will receive**		**Other they will receive**			
31 December 2023	**Related side**	**Other side**	**Related party**	**Other side**	**in banks**	**Financial investments**	**Other**
exposure as of reporting date (*) (A +B+C+D+E)	-	**430,860,391**	-	4,562,108	550,530,695	21,147,194	-
Maximum risk is secured with collateral, etc. taken part	-	369,411,024	-	-	-	-	-
A. Net of financial assets that are not overdue or impaired notebook value	-	373,675,931	-	4,562,108	550,530,695	21,147,194	-
B. Terms of which have been renegotiated , otherwise they are overdue or _ to impairment			-	-	-	-	-
C. Net assets that are overdue but not impaired notebook value	-	57,184,460	-	-	-	-	-
Secured by collateral, etc. taken part	-	42,731,432	-	-	-	-	-
D. Net value of impaired assets notebook values	-		-	-	-	-	-
-Overdue (gross notebook value)	-	5,612,020	--	-	-	-	-
-Value low	-	(5,612,020)	-	-	-	-	-
-The net worth is secured with collateral, etc. taken part	-		-	-	-	-	-
-Not overdue (gross notebook value)	-	-	-	-	-	-	-
-Value low	-	-	-	-	-	-	-
-The net worth is secured with collateral, etc. taken part	-	-	-	-	-	-	-
E. Off-balance sheet credit risk including elements	-	-	-	-	-	-	-

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (Continued)

a.1 Credit risk management (Continued)

As of 31 March 2024, the Group carries cash and cash equivalents (excluding cash balance) and financial investments amounting to 443,191,844 TL (31 December 2023: 571,677,888 TL). Cash, cash equivalents and financial investments are held in financial institutions located in Turkey with high credibility.

a.2 Liquidity risk management

The main responsibility for liquidity risk management belongs to the Board of Directors. The board of directors shall implement an appropriate liquidity risk management framework for the short, medium and long-term funding and liquidity requirements of the Group management. has created. Group, liquidity risk estimated And actual cash currents organised aspect follow-up and by ensuring the continuation of adequate funds and borrowing reserves by matching the maturities of financial assets and liabilities, manages.

The table below shows the maturity distribution of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting. Dividends to be paid on these liabilities are included in the table below.

Liquidity risk table:
March 31 2024

Maturities under contract	**book value**	**Cash outflows in accordance with the contract**	**3 from the month short**	**Betwee n 3-12 months**	**1-5 year s**	**5 more than year**
Non-derivative financial liabilities						
Bank credits	250,911,890	280,181,565	110,663,947	80,814,717	52,219,421	36,483,480
Lease obligations	12,256,281	18,348,672	1,843,398	9,174,174	7,331,100	--
Other borrowings	7,346,526	7,746,762	2,582,254	5,164,508	--	--
Trade payables	335,254,982	341,487,126	215,856,821	125,630,305	--	--
Total liability	**605,769,679**	**647,764,125**	**330,946,420**	**220,783,704**	**59,550,521**	**36,483,480**

31 March 2024 **Maturities under the contract**	**Notebook value**	**Cash outflows pursuant to the contract (I+II)**	**Less than 3 months (I)**	**Between 3-12 months (II)**
Derivative financial transactions				
Other financial transactions (Cash in/out)	289,988	308,461	308,461	--
Total liability	**289,988**	**308,461**	**308,461**	**--**

31 December 2023 **Maturities under the contract**				
Derivative financial transactions				
Other financial transactions (Cash in/out)	218,682	197,181	197,181	--
Total liability	**218,682**	**197,181**	**197,181**	**--**

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (More)

a.2 Liquidity risk management (More)

31st of December 2023

Maturities under contract	book value	Cash outflows in accordance with the contract	3 from the month short	Between 3-12 months	1-5 years	5 from year LONG
Non-derivative financial liabilities						
Bank credits	321,822,298	397,689,011	37,239,191	222,188,034	59,188,936	79,072,850
Other financial borrowings	10,496,281	11,408,940	1,944,642	5,792,503	3,671,795	--
Lease obligations	11,124,065	11,884,939	2,971,235	8,913,704	--	--
Trade payables	360,281,169	367,604,405	232,365,768	135,238,637	--	--
Total liability	**703,723,813**	**788,587,295**	**274,520,836**	**372,132,878**	**62,860,731**	**79,072,850**

b.1) Market risk management

The Group's activities are primarily exposed to financial risks related to changes in foreign exchange rates and dividend rates, as detailed below.

Market risks are also evaluated with sensitivity analysis.

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

b.1.1) Exchange rate risk management

Group, main USA dollar, EURO And English sterling in exchange rate to the risk exposed remains. Group, this risk foreign money presence And obligations clarifying way with formed natural One by method is controlling. The management analyzes and monitors the Group's foreign exchange position and ensures that precautions are taken when necessary.

The table below shows the Group's sensitivity to a 20% increase or decrease in US Dollar, EURO and British Pound exchange rates. 20% reporting currency risk within the Group to senior managers during used ratio is, promise subject ratio of management foreign currency in exchange rates is waiting for represents possible change. Sensitivity analysis only covers open foreign currency denominated monetary items at the end of the period and shows the effects of a 20% exchange rate change on these items at the end of the year. This analysis includes external loans as well as loans other than the functional currency of the parties receiving and using the loan, used for foreign activities within the Group. A positive value indicates an increase in profit/loss and other equity items. It does.

the Group's foreign currency -denominated monetary and non-monetary assets and monetary and non - monetary liabilities as of the balance sheet date is as follows:

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (Continued)

b.1.1) Exchange rate risk management (Continued)

March 31, 2024	TL Equivalent (Functional money unit of)	US Dollar	Euro	GBP	Other
1. Trade Receivable	257,688,398	2,106,022	5,441,689	7,656	--
2 a. Monetary Financial Assets (including cash, bank accounts)	119,216,148	1,442,113	1,985,859	87,160	292
2b. Non-Monetary Financial Assets	--	--	--	--	--
3. Other	526,791	--	15,057	50	3,475
4. Current Assets (1+2+3)	**377,431,337**	**3,548,135**	**7,442,605**	**94,866**	**3,767**
5. Trade Receivables	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--	--
7. Other	--	--	--	--	--
8. Fixed Assets (5+6+7)	**--**	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**377,431,337**	**3,548,135**	**7,442,605**	**94,866**	**3,767**
10. Commercial Debts	236,819,262	5,928,833	1,139,691	130,234	1,629
11. Financial Obligations	--	--	--	--	--
12a. Other Monetary Liabilities	--	--	--	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--	--
13. Short-Term Liabilities (10+11+12)	**236,819,262**	**5,928,833**	**1,139,691**	**130,234**	**1,629**
14. Commercial Debts	--	--	--	--	--
15. Financial Obligations	--	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--	--
17. Long Term Liabilities (14+15+16)	**--**	**--**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**236,819,262**	**5,928,833**	**1,139,691**	**130,234**	**1,629**
19. Net assets of off-balance sheet derivative instruments / liability position (19a-19b)					
19.a Off-balance sheet foreign currency with an active character Amount of derivative products	--	--	--	--	--
19b. In off-balance sheet foreign currency with a passive character Amount of derivative products	--	--	--	--	--
20. Net foreign currency asset liability position (9-18+19)	**140,612,075**	**(2,380,698)**	**6,302,914**	**(35,368)**	**2,138**
21. Monetary items net foreign currency assets/liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)	140,085,284	(2,380,698)	6,287,857	(35,418)	(1,337)
22. Financial instruments used for foreign exchange hedge Total fair value	--	--	--	--	--
23. Amount of hedged portion of foreign currency assets	--	--	--	--	--
24. Amount of hedged part of foreign currency liabilities	--	--	--	--	--
25. Export	**146,529,249**	**2,385,559**	**3,542,820**	**62,869**	**--**
26. Import	**146,642,794**	**3,747,613**	**753,909**	**83,909**	**2,624**

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (Continued)

b.1.1) Exchange rate risk management (More)

December 31, 2023	**TL Equivalent (Functional money unit of)**	**US Dollar**	**Euro**	**GBP**	**Other**
1. Trade Receivable	316,027,095	2,079,554	6,501,362	44,367	--
2 a. Monetary Financial Assets (including cash, bank accounts)	66,309,422	883,129	896,544	64,816	--
2b. Non-Monetary Financial Assets	--	--	--	--	--
3. Other	--	--	--	--	--
4. Current Assets (1+2+3)	**382,336,517**	**2,962,683**	**7,397,906**	**109,183**	**--**
5. Trade Receivables	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--	--
7. Other	--	--	--	--	--
8. Fixed Assets (5+6+7)	**--**	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**382,336,517**	**2,962,683**	**7,397,906**	**109,183**	**--**
10. Commercial Debts	266,380,187	6,422,055	1,252,495	29,937	3,217
11. Financial Obligations	--	--	--	--	--
12a. Other Monetary Liabilities	--	--	--	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--	--
13. Short-Term Liabilities (10+11+12)	**266,380,187**	**6,422,055**	**1,252,495**	**29,937**	**3,217**
14. Commercial Debts	--	--	--	--	--
15. Financial Obligations	--	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--	--
17. Long Term Liabilities (14+15+16)	**--**	**--**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**266,380,187**	**6,422,055**	**1,252,495**	**29,937**	**3,217**
19. Net assets of off-balance sheet derivative instruments / liability position (19a-19b)					
19.a Active off-balance sheet foreign currency Amount of derivative products	--	--	--	--	--
19b. In off-balance sheet foreign currency with a passive character Amount of derivative products	--	--	--	--	--
20. Net foreign currency asset liability position (9-18+19)	**115,956,330**	**(3,459,372)**	**6,145,411**	**79,246**	**(3,217)**
21. Monetary items net foreign currency assets/liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)	115,956,330	(3,459,372)	6,145,411	79,246	(3,217)
22. Financial instruments used for foreign exchange hedge Total fair value	--	--	--	--	--
23. Amount of hedged portion of foreign currency assets	--	--	--	--	--
24. Amount of hedged part of foreign currency liabilities	--	--	--	--	--
25. Export	**1,320,486,084**	**8,405,683**	**26,090,768**	**1,023,734**	**--**
26. Import	**670,562,641**	**21,535,618**	**5,623,492**	**171,523**	**981,336**

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (Continued)

Group, foreign currency in debtor or payee found of sums Turkish to lira from being translated Therefore, it is exposed to exchange rate risk arising from exchange rate changes. The exchange rate risk in question is monitored by analyzing the foreign exchange position and is limited.

	March 31, 2024	**March 31, 2024**
	Profit and loss	
	foreign currency	foreign currency
	appreciation	depreciation
If US Dollar appreciates by 20% against TL		
1 - US Dollar net asset/liability	(15,400,069)	15,400,069
2- The part protected from US Dollar risk (-)	--	--
3- US Dollar net effect (1 +2)	**(15,400,069)**	**15,400,069**
If Euro appreciates 20% against TL		
4 - Euro net asset/liability	43,950,219	(43,950,219)
5 - Part protected from Euro risk (-)	--	
6- Euro net effect (4+5)	**43,950,219**	**(43,950,219)**
If GBP exchange rates appreciate by 20% against TL		
7- GBP net asset/liability	(289,159)	289,159
8- The part protected from GBP exchange rate risk (-)	--	--
9- GBP Assets net effect (7+8)	**(289,159)**	**289,159**
If other (CHF+Japanese Yen) exchange rates appreciate by 20% against TL		
10- Other net assets/liabilities	92	(92)
11- Part protected from other exchange rate risk (-)	--	--
12- Other Assets net effect (10+11)	92	**(92)**
TOTAL (3 + 6 +9+12)	**28,261,083**	**(28,261,083)**

	December 31, 2023	**December 31, 2023**
	Profit and loss	
	foreign currency	foreign currency
	appreciation	depreciation
If US Dollar appreciates by 20% against TL		
1 - US Dollar net asset/liability	(13,270,428)	13,270,428
2- The part protected from US Dollar risk (-)	--	--
3- US Dollar net effect (1 +2)	**(13,270,428)**	**13,270,428**
If Euro appreciates by 20% against TL		
4 - Euro net asset/liability	25,613,581	(25,613,581)
5 - Part protected from Euro risk (-)	--	
6- Euro net effect (4+5)	**25,613,581**	**(25,613,581)**
If GBP exchange rates appreciate by 20% against TL		
7- GBP net asset/liability	375,902	(375,902)
8- The part protected from GBP exchange rate risk (-)	--	--
9- GBP Assets net effect (7+8)	**375,902**	**(375,902)**
If other (CHF+Japanese Yen) exchange rates appreciate by 20% against TL		
10- Other net assets/liabilities	(13,502)	13,502
11- Part protected from other exchange rate risk (-)	--	--
12- Other Assets net effect (10+11)	(13,502)	**13,502**
TOTAL (3 + 6 +9+12)	**12,705,553**	**(12,705,553)**

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (Continued)

b.1.2) Interest rate risk management

The Group's borrowing at fixed and variable interest rates exposes the Group to interest rate risk. This risk is managed by the Group by making an appropriate distribution between fixed and variable rate debts.
The distribution of the Group's interest rate sensitive financial instruments is as follows:

Interest Position Table		
	March 31, 2024	**December 31, 2023**
Fixed Profit Share Financial Instruments		
Financial Assets	427,653,070	543,072,974
Financial Obligations	270,804,686	343,223,962

Fair value risk of fixed interest instruments:

of the Group, still with interest to reality suitable value difference snow or at a loss reflected financial presence And recorded under the liability and fair value hedge accounting model There are no derivative instruments (forward interest rate swaps) for hedging purposes. Therefore, changes in interest rates as of the reporting period exclude profit or loss. will not affect.

c.1) Capital ratio risk management

The Group's objectives when managing capital are to preserve the Group's continued viability to maintain an optimal capital structure to provide returns to its shareholders, benefits to other shareholders and to reduce the cost of capital.

In order to maintain or reorganize the capital structure, the Group determines the amount of dividends to be paid to shareholders, issues new shares and sells assets to reduce debt.

The Group monitors capital using the net financial debt/equity ratio. Net financial debt is calculated by deducting cash and cash equivalents from the total financial debt amount.

As of 31 March 2024 and 31 December 2023, the net debt/invested capital ratios are as follows:

	March 31, 2024	**December 31, 2023**
Total financial debt	270,804,686	343,223,962
Cash values and banks (*)	442,834,519	571,266,737
Net financial debt	(172,029,833)	(228,042,775)
Equity	2,960,601,053	2,922,717,653
Net financial debt/equity ratio	(0.06)	(0.08)

(*) 31 March 2024 And 31 December 2023 dates as of cash values And banks the amount of; cash And cash In addition to similar ones, it shows the investment funds and lease certificates included in the financial investments owned by the Group.

NOTE 26 - NATURE OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND LEVEL (Continued)

c.2) operational risk

Operational risk covers a wide variety of factors related to the Company's processes, employees, technology and infrastructure. owner for reasons And credit risk, market risk And liquidity risk other than legal And The risk of direct or indirect loss arising from external factors, such as regulatory requirements and generally accepted standards regarding legal entity. Operational risks arise from all activities of the Group. The Group's aim is to reduce operational risk by avoiding, on the one hand, financial losses and damage to the Group's reputation, and, on the other hand, by avoiding controls that restrict entrepreneurship and creativity. is to manage.

Improving and implementing controls to avoid operational risk is primarily top level managers is your responsibility. This responsibility the following in areas by improving general standards regarding the management of operational risks supported:

- Requirements for appropriate allocation of duties and responsibilities, including independent authorization of operations,
- Requirements for reconciliation and oversight of transactions and regulatory and other legal requirements rapport,
- Controls and procedures documentation,
- Periodic evaluation of operational risks encountered and the adequacy of controls and procedures to avoid identified risks,
- Requirements regarding reporting operational losses and presenting related improvement activities,
- emergency plans creation,
- Training and employee engagement development,
- Ethical and business standards And
- Risk mitigation, including insurance where effective remedies.

Compliance with company standards is audited by the periodic audit program carried out by Internal Audit. The review results of Internal Audit are reported to the management of the relevant operational department and shared with the Audit Committee and senior management.

NOTE 27 - FINANCIAL INSTRUMENTS

The following method And assumptions, to reality suitable value determinable financial of instruments in estimating fair value used:

1) Monetary assets

It is assumed that the fair values of foreign currency-based balances converted at the end-of-period exchange rates approximate their recorded values.
It is accepted that the fair values of cash and receivables from banks approximate their recorded values due to their short-term nature.
It is estimated that the registered values of trade receivables represent their fair values.

2) Monetary debts

It is accepted that the fair values of bank loans and other monetary debts approach their recorded values due to their mostly short-term nature.
It is estimated that the carrying values of trade payables represent their fair values.

NOTE 27 - FINANCIAL INSTRUMENTS (Continued)

3) Derivative financial instruments (futures agreements)

Derivative financial instruments (future agreements) The Group enters into forward transaction agreements in the foreign currency market. According to the Company's risk management policies, the forward transaction agreements entered into for hedging purposes do not meet sufficient conditions for hedge accounting according to TFRS 9 (Financial Instruments: Recognition and Measurement), so they are not included in the financial statements as "derivative financial assets (if any) or They are also reflected at their fair values within "derivative financial liabilities (if lost)".

The fair values of derivative financial instruments are considered to be their prices in organized public markets or future cash returns discounted to the balance sheet date. All derivative instruments are carried as assets when their fair values are positive, and as liabilities when their fair values are negative.

Fair values of derivative instruments that do not meet sufficient conditions for hedge accounting increase or from the decrease caused earning or casualties direct aspect income with table is associated.

March 31, 2024	Financial assets measured at amortized cost	Other financial obligations	fair value differences are followed under equity	book value	note
Financial assets					
Cash and cash equivalents	424.131.624	--	--	424.131.624	4
Financial investments	19,060,220	--	--	19,060,220	5
Commercial debts	376,702,628	--	--	376,702,628	7
Other receivables	5,735,374	--	--	5,735,374	8
Financial obligations					
Financial debts	--	270,514,698	--	270,514,698	13
Trade payables	--	335,254,982	--	335,254,982	7
derivative instruments	--	--	289,988	289,988	

December 31, 2023	Financial assets measured at amortized cost	Other financial obligations	fair value differences are followed under equity	book value	note
Financial assets					
Cash and cash equivalents	550,530,695	--	--	550,530,695	4
Financial investments	21,147,193	--	--	21,147,193	5
Commercial debts	430,860,391	--	--	430,860,391	7
Other receivables	4,562,105	--	--	4,562,105	8
Financial obligations					
Financial debts	--	343,442,644	--	343,442,644	13
Trade payables	--	360,281,169	--	360,281,169	7
derivative instruments	--	--	218,682	218,682	

The Group classifies its financial instruments, which are reflected at fair value in its financial statements , according to the source of valuation inputs for each class of financial instruments, using a three- level hierarchy , as follows.

Level 1: Valuation techniques using (unadjusted) market price traded in an active market for specified financial instruments
Level 2: Other valuation techniques that include direct or indirect observable inputs Level 3:

Valuation techniques that do not include observable market inputs

NOTE 28 - EVENTS AFTER THE BALANCE SHEET DATE

1) Dividend Distribution

In the 30th article of the company's articles of association titled "Profit Distribution", the determination and distribution of profit is explained as follows:

After deducting from the income determined at the end of the accounting year the sums that must be paid and set aside by the Company, such as the general expenses of the Company and various depreciation, and the taxes that must be paid by the Company's legal entity, the net profit remaining and seen in the annual balance sheet is the order after deducting previous year losses, if any. It is distributed as shown below.

a) 5% is allocated to the legal reserve fund.

b) From the remaining amount, the first dividend is allocated based on the amount calculated by adding the amount of donations made during the year, if any, in accordance with the Turkish Commercial Code and Capital Markets Legislation.

c) After deducting the amounts specified in paragraphs a and b from the net profit, the General Assembly is authorized to distribute the remaining part partially or completely as second dividend shares or allocate it as reserve funds.

d) One tenth of the amount found after deducting a dividend of 5% of the paid capital from the part decided to be distributed to the shareholders and other persons participating in the profit is allocated as the second legal reserve fund in accordance with the provision 519 of the Turkish Commercial Code.

e) Unless the reserve funds required by law are set aside and the first dividend determined for the shareholders in the articles of association is distributed in cash and/or shares; setting aside other reserve funds, transferring profits to the following year, and dividend distribution to privileged shareholders, participation, founder and ordinary usufruct certificate holders, members of the Board of Directors, civil servants, employees and workers, foundations established for various purposes and such persons and/or institutions. Distribution cannot be decided.

f) The dividend is distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates.

With the Special Circumstance Disclosure we made on the Public Disclosure Platform (KAP) on April 22, 2024:

At the meeting of our Board of Directors dated 19/04/2024;

Prepared by our company in accordance with the Capital Markets Board's "Communiqué on Principles of Financial Reporting in the Capital Markets" Serial (No. II - 14.1) and published by PwC Independent Audit and Serbest Muhasebeci Mali Müşavirlik A.Ş. According to our consolidated financial statements for the accounting period of 01.01.2023 - 31.12.2023, independently audited by , a "Period Profit" amounting to 620.022.875 TL was obtained, and according to the Tax Procedure Law (VUK) records, a "Period Profit" amounting to 572.091.045 TL was obtained;

I. The 5% general legal reserve fund that must be set aside in accordance with Article 519 of the Turkish Commercial Code should not be allocated for 2023, since the current general legal reserve fund in the TPL records as of 31.12.2023 exceeds the 20% limit of the capital;

NOTE 28 - EVENTS AFTER THE BALANCE SHEET DATE (Continued)

1) Dividend Distribution (Continued)

In the financial statements prepared in accordance with VUK records, as a result of the inflation accounting of the balance sheet dated 31.12.2023, the Prior Year Profits / Losses account, which includes the current year profit of 473.473.263 TL, gave a positive balance of 262.295.379 TL, and the Inflation related to Equity accounts in the amount to cover the total decrease of 211.177.884 TL. There is an Adjustment Difference amount; In this context, according to VUK records, there is a net distributable profit of 473,473,263 TL;

According to the financial statements prepared in accordance with TFRS, it was seen that 544,242,878 TL of distributable profit was obtained, and by adding the 164,773 TL donation made during the year and calculated according to the purchasing power on December 31, 2023, a first dividend base of 544,407,651 TL was created. Accordingly;

ii. In accordance with the Capital Markets Legislation, the provisions of the Articles of Association and the Profit Distribution Policy, the Net Distributable Period Profit will be distributed as follows;

First Dividend	3,000,000.00 TL
Second Dividend	233,736,631.38 TL
Total Gross Dividend	236.736.631,38 TL
Extraordinary Reserve	307,671,019.54 TL

As a result of profit distribution being made according to the above principles,

- 236,736,631.38 TL of the Net Distributable Period Profit of 473,473,263 TL in our legal records prepared in accordance with the provisions of the TPL shall be set aside as Extraordinary Reserve,

Thus, from the 2023 profit, a total of 236,736,631.38 TL dividend will be distributed to the shareholders representing 60,000,000.00 TL capital, at the rate of 394.56% (Gross) and 355.10% (Net), depending on their legal status, as of May 30, 2024. It was unanimously decided by the participants to submit the issue of cash distribution to the approval of the Ordinary General Assembly to be held on 24 May 2024.

After the Board of Directors' dividend distribution proposal was approved at the Ordinary General Assembly held on 24 May 2024, it was distributed to investors in cash on 30 May 2024.

2) Free Capital Increase

With the Special Circumstance Disclosure we made on the Public Disclosure Platform (KAP) on May 3, 2024: At the Company's Board of Directors meeting dated May 2, 2024; The company's paid-in capital of 60,000,000,- TL, within the registered capital ceiling of 500,000,000,- TL, will be increased by 700%, by 420,000,000,- TL, to 480,000,000 TL, all of which will be covered by internal resources. The shares to be created due to this will be distributed free of charge to the existing shareholders in proportion to their participation in the capital. The capital increase of 420,000,000 TL to be made from internal resources; It was decided to cover 315,169,315 TL from the Capital Adjustment Differences in the financial statements prepared in accordance with TFRS records, 45,430,023 TL from the Extraordinary Reserves Inflation Adjustment Differences, and 59,400,662 TL from the Legal Profit Reserves Inflation Adjustment Differences.