EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AT 1 JANUARY - 31 DECEMBER 2024
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

(CONVENIENCE TRANSLATION INTO ENGLISH -
THE TURKISH TEXT IS AUTHORITATIVE)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Ege Profil Ticaret ve Sanayi Anonim Şirketi

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Ege Profil Ticaret ve Sanayi Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

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

Key Audit Matters	How the key audit matter was addressed in the audit
Fair value determination of land, land improvements and buildings (Refer to Notes 2.6.a and 9)	
The Group measured land, land improvements and buildings in the consolidated financial statements at their fair value in accordance with the related provisions of TAS 16 “Property, Plant and Equipment”. As a result of the revaluation performed by the independent professional valuation company as of 31 December 2024, increase in the value of the assets is amounting to TRY231,567,334 before tax and the carrying amount of the assets is amounting to TRY4,202,210,000. Increase arising from the revaluation of such land, land improvements and buildings is recognized in the revaluation fund of property, plant and equipment by deducting deferred tax effect in the consolidated financial position within other comprehensive income under equity. We considered the fair value determination of land, land improvements and buildings as a key audit matter since the amount of those assets has a significant portion in the Group’s assets as of 31 December 2024 and the valuation techniques applied include significant assumptions and estimates which are subjective.	We have performed the following procedures regarding the fair value determination of the land, land improvements and buildings during our audit work: • We evaluated the competence, capabilities, and objectivity of the independent professional valuation firm appointed by the Group management, in accordance with the relevant audit standards. • We evaluated the completeness of the data used by the independent professional valuation company appointed by the Group management by reconciliation with the Group’s records on a sample basis. • In order to evaluate the assumptions and methods used by the Group management and the independent professional valuation company appointed by the Group management, we involved an external specialist to examine a sample of valuation reports in accordance with the provisions of the relevant audit standard. • We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to fair value determination of the land, building and land improvements in accordance with TFRS.

Key Audit Matters	How the key audit matter was addressed in the audit
Recoverability of trade receivables (Refer to Notes 2.6.a and 5)	
Trade receivables from third parties amounting TRY3,889,020,977 as of 31 December 2024, constitute a significant portion of the consolidated financial statements of the Group. The assessment of the recoverability of these receivables made by the Group management includes considerations of the amount of guarantees received from the customers, past collection performance, credibility analysis, analysis of aging of receivables and litigations or disputes regarding receivables. As a result of all of these assessments, determination of doubtful receivables and setting of impairment provision for these receivables include also management assumptions and estimations. On the other hand these assumptions and estimates are highly sensitive to expectations related with market conditions. Therefore, recoverability of trade receivables is a key matter for our audit.	We performed the following procedures in relation to the audit of recoverability of trade receivables from third parties: • We understood and assessed the Group's credit risk management and receivables monitoring policies including credit limits. • We tested receivables from third parties balances by obtaining confirmation letters from customers on a sample basis. • We analyzed the aging of receivables from third parties on a sample basis. • We tested, on a sample basis, collections in the subsequent period. • We tested, on a sample basis, guarantees held from customers. • We performed inquiries with management in relation to any disputes or litigation for trade receivables from third parties and obtained formal assessment of legal counsels on outstanding litigations and disputes. • Based on the inquiries with the Group management, the basic assumptions and estimates that form the basis of the impairment calculations were evaluated. • We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to recoverability of trade receivables from third parties in accordance with TFRS.

4. Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

5. Auditor's responsibilities for the audit of the consolidated financial statements

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

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 25 February 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 25 February 2025

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	*Audited* 31 December 2024	*Audited* 31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	571,916,803	1,160,545,027
Trade Receivables		4,183,116,462	4,107,061,204
- Trade Receivables From Related Parties	3	294,095,485	497,000,309
- Trade Receivables From Third Parties	5	3,889,020,97	3,610,060,895
Other Receivables		2,869,117	341,680,137
- Other receivables due from related parties	3	-	332,071,174
- Other Receivables From Third Parties		2,869,117	9,608,963
Inventories	6	712,992,083	1,160,126,901
Prepaid Expenses	7	79,717,949	43,042,839
Current Income Tax Assets		70,114,057	-
Other Current Assets	8	24,309,173	92,190,893
SUBTOTAL		**5,645,035,644**	**6,904,647,001**
Non-Current Assets Held For Sale	22	404,031,575	392,335,018
TOTAL CURRENT ASSETS		**6,049,067,219**	**7,296,982,019**
NON - CURRENT ASSETS			
Other Receivables		252,016	455,073
- Other Receivables From Third Parties		252,016	455,073
Property, Plant and Equipment	9	5,735,797,793	5,578,879,118
Right of Use Assets	10	103,501,508	138,671,500
Intangible Assets		141,379,941	144,318,704
Prepaid Expenses		22,260,682	136,378,513
- Prepaid expenses due from related parties	3	6,693,506	51,120,892
- Prepaid expenses due from third parties	7	15,567,176	85,257,621
TOTAL NON - CURRENT ASSETS		**6,003,191,940**	**5,998,702,908**
TOTAL ASSETS		**12,052,259,159**	**13,295,684,927**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	*Audited* 31 December 2024	*Audited* 31 December 2023
LIABILITIES			
SHORT-TERM LIABILITIES			
Short-Term Borrowings	11	335,844,193	152,824,930
Short-Term Portion of Long-Term Borrowings	11	86,833,275	59,459,110
Leasing Liabilities	11	47,280,386	51,666,776
Trade Payables		2,085,345,957	2,842,335,443
- Trade Payables to Related Parties	3	23,843,675	176,655,330
- Trade Payables to Third Parties	5	2,061,502,282	2,665,680,113
Payables Due to Employee Benefits	12	64,328,672	93,641,194
Derivative Instruments	14	9,809,015	17,265,450
Deferred Income	13	2,057,315,425	2,236,470,867
Short-Term Provisions		37,734,661	52,304,066
- Provisions for Employee Benefits		811,520	-
- Other Short-Term Provisions	14	36,923,141	52,304,066
Current income tax liabilities	23	-	37,121,738
Other Short-Term Provisions	8	79,505,040	126,047,974
TOTAL SHORT-TERM LIABILITIES		**4,803,996,624**	**5,669,137,548**
LONG-TERM LIABILITIES			
Long-Term Borrowings	11	62,828,282	189,989,127
Leasing Liabilities	11	23,116,502	76,515,125
Long-Term Provisions		115,094,290	159,641,661
- Long-Term Provisions for Employee Benefits	12	115,094,290	159,641,661
Deferred Tax Liabilities	23	781,904,550	646,137,330
TOTAL LONG-TERM LIABILITIES		**982,943,624**	**1,072,283,243**
TOTAL LIABILITIES		**5,786,940,248**	**6,741,420,791**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
EQUITY			
Equity Attributable to Owners of the Parent Company			
Paid in Capital	15	80,980,794	80,980,794
Adjustments to Share Capital	15	1,516,596,594	1,516,596,594
Share Premium		753,956	753,956
Repurchased shares (-)	15	-	(31,735,234)
Other Comprehensive Income/Expenses not to Be Reclassified to Profit or Loss		1,904,799,131	1,756,504,101
- Revaluation of Property, Plant and Equipment	9	2,061,499,227	1,897,726,988
- Actuarial Losses Arising From Defined Benefit Plans		(156,700,096)	(141,222,887)
Other Comprehensive Income/ (Losses) to be Reclassified to Profit or Losses		(65,780,175)	(53,210,692)
- Foreign Currency Translation Differences		(65,780,175)	(53,210,692)
Restricted Reserves	15	505,219,020	398,672,068
Advances on Dividends Paid	15	-	(489,914,680)
Retained Earnings		1,437,611,839	2,647,727,407
Net Profit for the Year		885,137,752	727,889,822
TOTAL EQUITY		**6,265,318,911**	**6,554,264,136**
TOTAL LIABILITIES AND EQUITY		**12,052,259,159**	**13,295,684,927**

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	*Audited* **1 January - 31 December 2024**	*Audited* **1 January - 31 December 2023**
PROFIT OR LOSS			
Revenue	16	10,633,166,932	13,457,655,794
Cost of Sales (-)	16	(7,047,620,849)	(8,354,561,514)
GROSS PROFIT		**3,585,546,083**	**5,103,094,280**
General Administrative Expenses (-)	18	(603,203,159)	(706,772,894)
Marketing Expenses (-)	18	(1,159,260,675)	(1,267,629,350)
Research and Development Expenses (-)		(29,643,779)	(20,725,467)
Other Operating Income	19	391,514,744	516,970,363
Other Operating Expenses (-)	19	(448,415,496)	(818,544,631)
OPERATING PROFIT		**1,736,537,718**	**2,806,392,301**
Income from Investment Activities	20	164,408,989	245,339,861
Expenses from investing activities (-)		(7,095,914)	(3,544,378)
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL (EXPENSE)/ INCOME		**1,893,850,793**	**3,048,187,784**
Financial Income	21	69,832,478	419,550,791
Financial Expenses (-)	21	(463,191,209)	(284,961,811)
Net monetary gains/(losses)		(259,863,912)	(1,598,523,787)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**1,240,628,150**	**1,584,252,977**
Tax Expense from Continuing Operations		**(355,490,398)**	**(856,363,155)**
- Tax Expense for the Period	23	(265,199,152)	(555,355,092)
- Deferred Tax (Expense)/Income	23	(90,291,246)	(301,008,063)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**885,137,752**	**727,889,822**
NET PROFIT FOR THE PERIOD		**885,137,752**	**727,889,822**
Profit for the Period Attributable to			
- Non-Controlling Interest			
- Parent Company Shares		885,137,752	727,889,822
Earnings per Share		**10,9302**	**8,9884**
- Earnings per 1 Share with a Nominal Value of 1 Kr from Continuing Operations	24	10,9302	8,9884

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2024 AND 2023

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	***Audited*** **1 January - 31 December 2024**	***Audited*** **1 January - 31 December 2023**
PROFIT FOR THE YEAR		**885,137,752**	**727,889,822**
OTHER COMPREHENSIVE INCOME			
To be Reclassified to Profit or Loss		**(12,569,483)**	**(50,297,897)**
Change in Foreign Currency Translation Differences		(12,569,483)	(50,297,897)
Not to be Reclassified to Profit or loss		**1,103,001,389**	**165,438,677**
Actuarial Loss Arising from Remeasurement of Defined Benefit Plans	12	(20,674,330)	(54,037,216)
Actuarial Loss Arising from Remeasurement of Defined Benefit Plans, Tax Effect		5,197,121	13,509,390
Revaluation of Property, Plant and Equipment	9	231,583,483	894,435,704
Revaluation of Property, Plant and Equipment Tax Effect	9	(50,667,597)	249,093,511
OTHER COMPREHENSIVE INCOME		**152,869,194**	**1,052,703,492**
TOTAL COMPREHENSIVE INCOME		**1,038,006,946**	**1,780,593,314**
Total Comprehensive Income Attributable to:			
Parent Company Shares		1,038,006,946	1,780,593,314
Non-Controlling Interest		-	-

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

					Not to be Reclassified Profit or Loss		Reclassified Profit or Loss							
	Paid in Capital	**Adjustmnet to share Capital**	**Share Premiums**	**Repurchased shares (-)**	**Actuarial Losses Arising From Defined Benefit Plans**	**Revaluation of Property Plant and Equipment**	**Foreign Currency Translation Differences**	**Advances on Dividends Paid**	**Restricted Reserves**	**Retained Earnings**	**Net Profit fort he Year**	**Equity Attributable to Owners of the Parent Company**	**Non Controlling Interests**	**Total Equity**
1 January 2023	**80,980,794**	**1,516,596,594**	**753,956**	**-**	**(100,695,061)**	**770,304,901**	**(2,912,795)**	**(298,611,552)**	**350,084,407**	**3,040,973,839**	**382,448,806**	**5,739,923,889**	**-**	**5,739,923,889**
Transfers	-	-	-	-	-	(16,107,128)	-	-	16,852,427	381,703,507	(382,448,806)	-	-	-
Total comprehensive income	-	-	-	-	(40,527,826)	1,143,529,215	(50,297,897)	-	-	-	727,889,822	1,780,593,314	-	1,780,593,314
- Other comprehensive income	-	-	-	-	(40,527,826)	1,143,529,215	(50,297,897)	-	-	-	-	1,052,703,492	-	1,052,703,492
- Net profit for the period	-	-	-	-	-	-	-	-	-	-	727,889,822	727,889,822	-	727,889,822
Share buyback transactions	-	-	-	(31,735,234)	-	-	-	-	31,735,234	(31,735,234)	-	(31,735,234)	-	(31,735,234)
Dividends paid	-	-	-	-	-	-	-	(191,303,128)	-	(743,214,705)	-	(934,517,833)	-	(934,517,833)
31 December 2023	**80,980,794**	**1,516,596,594**	**753,956**	**(31,735,234)**	**(141,222,887)**	**1,897,726,988**	**(53,210,692)**	**(489,914,680)**	**398,672,068**	**2,647,727,407**	**727,889,822**	**6,554,264,136**		**6,554,264,136**
1 January 2024	**80,980,794**	**1,516,596,594**	**753,956**	**(31,735,234)**	**(141,222,887)**	**1,897,726,988**	**(53,210,692)**	**(489,914,680)**	**398,672,068**	**2,647,727,407**	**727,889,822**	**6,554,264,136**		**6,554,264,136**
Transfers	-	-	-	-	-	(17,143,647)	-		138,282,186	606,751,283	(727,889,822)	-	-	-
Total comprehensive income	-	-	-	-	(15,477,209)	180,915,886	(12,569,483)	-	-	-	885,137,752	1,038,006,946	-	1,038,006,946
-Other comprehensive income	-	-	-	-	(15,477,209)	180,915,886	(12,569,483)				-	152,869,194	-	152,869,194
-Net profit for the period	-	-	-	-	-	-	-	-	-	-	885,137,752	885,137,752	-	885,137,752
Share buyback transactions	-	-	-	31,735,234	-	-	-	-	(31,735,234)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	489,914,680	-	(1,816,866,851)	-	(1,326,952,171)	-	(1,326,952,171)
31 December 2024	**80,980,794**	**1,516,596,594**	**753,956**	**-**	**(156,700,096)**	**2,061,499,227**	**(65,780,175)**	**-**	**505,219,020**	**1,437,611,839**	**885,137,752**	**6,265,318,911**	**-**	**6,265,318,911**

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

EGE PROFİL TİCARET VE SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2024 AND 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
A. Cash flows from operating activities:		**1,307,207,941**	**1,589,928,881**
Net Profit For the Period (I)		885,137,752	727,889,822
Adjustments to Reconcile Net Profit (II)		**945,412,838**	**739,804,454**
Adjustments related to depreciation and amortization expense	17	475,034,525	380,728,410
Adjustments for tax income/(losses)	23	335,882,942	856,363,155
Adjustments for losses (gains) from disposal of fixed assets		(28,194,199)	(47,870,708)
Adjustments for unrealized foreign currency translation differences		243,232,657	(249,252,975)
Adjustments related to impairment for inventories	6	(36,136,304)	8,595,147
Adjustments related to impairment for receivables	5	18,747,811	91,882,570
Adjustments for provision employee benefits		39,705,541	96,687,842
Adjustments for provision legal cases	14	8,895,395	(2,085,593)
Adjustments related to provisions for guarantees		(24,276,320)	(995,523)
Adjustments for interest income	20	(131,431,737)	(134,296,530)
Adjustments for interest expense	21	226,004,156	60,819,273
Adjustments related to the fair earnings of derivative financial instruments		109,982,313	(124,354,072)
Monetary (gains) / loses		(292,033,942)	(196,416,542)
Changes in working capital (III)		**(117,891,483)**	**955,717,593**
Adjustments related to increase in inventory		483,271,122	91,313,131
Adjustments related to increase in trade receivables		(94,803,069)	630,295,118
Adjustments related to changes in short-term paid expenses		98,745,054	43,586,476
Adjustments for increase in trade payables		(756,989,487)	149,031,588
Adjustments for (decrease) / increase in other receivables related to operations		406,895,797	(195,397,248)
Adjustments for (decrease) / increase in other payables related to operations		(255,010,900)	236,888,528
Cash flows from operating activities (I+II+III)		**1,712,659,107**	**2,423,411,869**
Taxes paid	23	(360,997,233)	(741,408,997)
Payments related with provisions for employee benefits	12	(44,773,016)	(96,470,706)
Collections from doubtful trade receivables	5	319,083	4,396,715
B. Cash flows from investing activities		**(191,571,526)**	**(260,210,959)**
Cash outflow from purchase of property, plant, equipment and intangible assets		(344,729,754)	(427,117,079)
Cash inflow from sales of property, plant and equipment and intangible assets		54,725,381	47,791,847
Cash advances and debts given	7	(21,302,333)	(26,998,037)
Interest received		131,431,737	134,296,530
Cash inflows from the sale of fixed assets classified for sale	22	12,320,735	22,067,998
Cash outflows from the sale of fixed assets classified for sale	22	(24,017,292)	(10,252,218)
C. Cash flows from financing activities		**(1,483,310,808)**	**(843,380,581)**
Cash outflows from purchase of the entity's own shares		31,735,234	(31,735,234)
Cash inflow from proceeds from borrowings	11	470,000,000	188,292,183
Cash outflow from payments of borrowings	11	(278,657,243)	(106,334,444)
Interest paid		(195,018,181)	(69,210,244)
Dividends paid		(1,326,952,171)	(934,517,833)
Cash outflow/(inflows) from derivative instruments, net		(117,438,748)	135,657,173
Cash outflows related to debt payments arising from lease agreements		(66,979,699)	(25,532,182)
D. Net increase in cash and cash equivalents before foreign currency translation differences (A+B+C)		**(367,674,393)**	**486,337,341**
E. Effect of currency translation differences on cash and cash equivalents		**101,490,734**	**88,420,141**
Net increase in cash and cash equivalents (D+E)		**(266,183,659)**	**574,757,482**
Cash and cash equivalents at the beginning of the period	**4**	**1,160,545,027**	**965,219,234**
Monetary loss/gain impact on cash and cash equivalents		**(322,444,565)**	**(379,431,689)**
Cash and cash equivalents at the end of the period (*)	**4**	**571,916,803**	**1,160,545,027**

(*) The Group's cash and cash equivalents as of December 31, 2024 include blocked qualified deposits in the amount of TRY32,654,301(Note 4).

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Ege Profil Ticaret ve Sanayi Anonim Şirketi (“the Company" or "Ege Profil") was established in 1981 with the title Namık Mazhar Zorlu and Oğulları Plastik Profil Sanayi Kollektif Şirketi. It took its current form with a change of title in 1982. The main activity of the Company is the production and sales of all kinds of plastic pipes and spare parts, and all kinds of profiles and plastic goods.

As of December 31 2024, 13.14% of the Company shares are traded on the Istanbul Stock Exchange ("BIST") (December 31 2023: 12.09%). Deceuninck NV, which has 86.86% (December 31 2023: 87.61%) shares of the Company as of December 31 2024, is the main shareholder of the Company (Note 15).

In June 2017, 87.60% of Deceuninck NV's shares in Pimaş A.Ş. were purchased by Ege Profil, and in August 2017 all assets and liabilities of Pimaş A.Ş. were taken over as a whole. It was decided to merge and the process was completed on December 25 2017.

The Company carries out sales activities under Egepen Deceuninck brand produced in its facilities located in Menemen Plastik Specialized Organized Industrial Zone and under Pimapen and Winsa brands produced in its facilities in Kartepe/Kocaeli. In addition to the operations in Turkey, the Company makes sales through its subsidiary in branch and subsidiary located in India. Majority of the Company's ultimate customers are operating in the construction industry.

The details of the Company's (hereinafter collectively referred to as the "Group") subsidiaries are given below:

Subsidiaries	Stock Exchange Transactions	Types of Activity	Main Operations
Deceuninck Profiles India Pvt Limited (“Deceuninck Hindistan”)	Not listed.	Profile sale	Plastic Pipes, profile, marketing/ distribution, lamination

As of December 31 2024 and December 31 2023, the number of personnel by category is as follows:

	31 December 2024	31 December 2023
Administrative	306	323
Manufacture	935	901
	1241	**1224**

Approval of consolidated financial statements:

These consolidated financial statements have been approved for issue by the Board of Directors of Ege Profil Ticaret ve Sanayi Anonim Şirketi on Februray 25 2025. General Assembly and specified regulatory bodies have the right to make amendments after statutory consolidated financial statements issued.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards.

The consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by the POA on 4 October 2022 and the Financial Table Examples and User Guide published by the CMB.

The Company maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. Consolidated subsidiaries registered in India have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries they operate, and have prepared the legal records by reflecting the necessary corrections and classifications in order to make correct presentation in accordance with TFRS.

Consolidated financial statements have been prepared on the basis of historical cost, excluding land and plots and buildings from the tangible fixed assets group shown at their fair values, and financial assets and liabilities carried at their fair values, on the basis of historical cost, reflecting the necessary adjustments and classifications to the legal records in order to make an accurate presentation in accordance with TFRS.

Financial Reporting in High-Inflation Economies

The Group has prepared its consolidated financial statements for the year dated 31 November 2023 and ending on the same date, by applying TAS 29 "Financial Reporting in High Inflation Economies" Standard, based on the announcement made by the KGK on December 31 2024 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 prior period financial statements are expressed in terms of the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements dated December 31 2023 on the purchasing power basis as of December 31 2024.

In accordance with the CMB's decision dated December 28 2023 and numbered 81/1820, TMS 29, starting from the annual financial reports of issuers and capital market institutions subject to the CMB financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards, for the accounting periods ending as of December 31 2023. It was decided to apply inflation accounting by applying the provisions.

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

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

2.1 Basis of Presentation (Continued)

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, 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Correction Coefficient	Three-Year Compound Inflation Rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

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

- The current period consolidated financial statements prepared in TRY 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.

- 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 TAS 36 "Impairment of Assets" and TAS 2 "Inventories" 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 monetary gain/loss account in the consolidated income statement.

- The Group measures lands, land improvements and buildings at their fair values within the framework of its revaluation policy. As part of the transitional provisions in TMS 29, the relevant revaluation funds accounted for under equity have been reclassified to retained earnings as of January 1 2021.

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

2.2 Changes in Accounting Policies, Comparative Information and Correction of Previous Period Financial Statements

The accounting policies adopted in the preparation of the consolidated financial statements for the period ended December 31 2024 have been applied in accordance with the new and amended Turkish Accounting Standards ("TAS")/TFRS and TAS/TFRS interpretations valid as of January 1, 2023, summarized below. The effects of these standards and interpretations on the financial situation and performance of the Group are explained in the relevant paragraphs.

IFRS 16, Sale and leaseback transactions; effective for annual reporting periods beginning on or after 1 January 2024. These amendments include provisions that explain how an entity accounts for a sale and leaseback transaction after the date of the transaction. Sale and leaseback transactions in which some or all of the lease payments are variable lease payments not based on an index or rate are likely to be affected.

2.2.1 Amendments in Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of 31 December 2024:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after January 1 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

2.2 Changes in Accounting Policies, Comparative Information and Correction of Previous Period Financial Statements (Continued)

b. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

- **IFRS 17, 'Insurance Contracts';** is effective for annual reporting periods beginning on or after January 1, 2025. This standard replaces IFRS 4, which currently permits a wide range of practices. IFRS 17 will fundamentally change the accounting for all entities issuing insurance contracts and investment contracts with discretionary participation features.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after January 1 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after January 1 2026 (early adoption is available). These amendments:

  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

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

2.2 Changes in Accounting Policies, Comparative Information and Correction of Previous Period Financial Statements (Continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after January 1 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

    - the structure of the statement of profit or loss;
    - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
    - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after January 1 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

    - it does not have public accountability; and
    - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group will evaluate the effects of the above changes on its operations and implement them from the effective date. The impact of the implementation of the above standards and comments in future periods is evaluated

2.2.2 Comparative Information

The Group prepared its consolidated financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Group prepared its balance sheet at December 31 2024 on a comparative basis with balance sheet at December 31 2023; and statements of profit or loss comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2024 on a comparative basis with financial statements for the period of 1 January - 31 December 2023. For the purpose of convenience with the presentation of current period consolidated financial statements, comparative information is restated when necessary and major changes are disclosed.

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

2.2 Changes in Accounting Policies, Correction of Previous Period Financial Statements (Continued)

2.2.3 Accounting Policies, Errors and Change in Accounting Estimates

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition provisions. Changes without any transition requirement, optional significant changes in accounting policies or detected accounting errors are applied retrospectively and the financial statements of the previous period are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if it is related to future periods, it is applied both in the period of change and prospectively.

The Group has applied consistent accounting policies in its financial statements for the periods presented. Apart from these, there is no significant change in accounting policies and estimates in the current period.

2.3 Foreign Currency Translation

i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are measured and presented in ("TRY") which is the parent Company's functional and the Group's presentation currency.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.Exchange rate difference income and expenses arising from the realization of these transactions and the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates are considered as foreign currency translation differences and are included in the consolidated statement of profit or loss and other comprehensive income with financial income and expenses, except for those followed under equity. are included in other income and expenses from operations.

Monetary assets in foreign currency in the consolidated statement of financial position as of December 31 2024 are translated into TRY using the prevailing foreign exchange buying rates as of December 31 2024 announced by the Central Bank of the Republic of Turkey, and the liabilities are translated into TRY using the prevailing foreign exchange selling rates as of December 31 2024 announced by the Central Bank of the Republic of Turkey.

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

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

2.3 Foreign Currency Translation (Continued)

iii) Translation of Financial Statements of Foreign Subsidiaries

Financial statements of consolidated subsidiaries operating in foreign countries are prepared according to the legislation of the country in which they are registered and adjusted to the TFRS to reflect the proper presentation and content. The assets and liabilities of foreign subsidiaries are translated into TRY from the foreign exchange rate at the balance sheet date. The income and expenses of foreign subsidiaries are translated into TRY at the average foreign exchange rates. All resulting exchange differences are recognized in "foreign currency translation differences" as a separate component of equity.

The currency at balance sheet date and the average currencies as of the statement of income and other comprehensive income are as follows:

End of the period:	**31 December 2024**	**31 December 2023**
TRY/ INR	2.42	2.82

Average:	**1 January - 31 December 2024**	**1 January - 31 December 2023**
TRY/ INR	2.51	3.47

2.4 Basis of Consolidation

The consolidated financial statements include the accounts of the parent company, Ege Profil and its subsidiaries on the basis set out below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of these consolidated financial statements in accordance with TFRS, applying uniform accounting policies and presentation.

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of the companies included in the scope of consolidation have been consolidated through full consolidation method and inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

2.4 Basis of Consolidation (Countinued)

The non-controlling shareholders' share in the net assets and results for the year for the subsidiaries are included in accumulated losses in the consolidated balance sheet on the grounds of materiality limits. It is included in the net profit for the period in the consolidated statement of profit or loss and comprehensive income.

In order to be consistent with the accounting policies adopted by the Group, the accounting policies of subsidiaries have been changed when necessary.

The table below sets out all subsidiaries included in the scope of consolidation and shows the related controlling interests at December 31 2024 and 2023:

	Total direct And indirect control By the Company (%)	
Subsidiary	**31 December 2024**	**31 December 2023**
Deceuninck Hindistan	99.00%	99.00%

Transactions under common control

In share transactions between under common control entities, provisions of IFRS 3 'Business Combinations' is not applicable since IFRS 3 or any other IFRS does not cover those transactions. Accordingly, goodwill or negative goodwill is not to be accounted for. The difference between the consideration given and the aggregate book value of the assets and liabilities is accounted as an adjustment to equity. In accordance with IAS 8 and the local requirements regarding accounting treatment of transactions under common control, issued by Public Oversight Accounting and Auditing Standards Authority of Turkey, the Group retrospectively incorporates the acquired entity's results as if both entities had always been consolidated.

Changes in ownership interests in subsidiaries resulting in loss of control

When the group ceases to consolidate an investment because of a loss of control, any retained interest in the entity at the date of loss of control, is remeasured to its fair value with the change in carrying amount recognized in statement of consolidated comprehensive income.

This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

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

2.4 Basis of Consolidation (Continued)

b) Segment Reporting

The operations of the Group are considered to be a single business segment because of the uniqueness of the Group's main field of activity and the nature of the products in the Group's field of activity, the production processes, the classes of the product customers and the economic characteristics of the methods used in the distribution of the products. Therefore, the Group management evaluates the decisions regarding the resources to be allocated and the performance evaluation as a single operating segment rather than separate segments.

2.5 Significant accounting policies

2.5.1 Related parties

In terms of these consolidated financial statements, shareholders with control, joint control or significant influence over the Group, Deceuninck Group Companies, senior management staff and board members of the Group or Deceuninck NV as the parent company, and jointly controlled or companies that have significant activities on these are accepted and expressed as related parties (Note 3). Related parties are determined by considering the following conditions.

a) A person or a member of his or her immediate family is deemed to be associated with the Company if:

   i) in the case of possession of control or joint control over the Company,
   ii) if it has significant influence over the Company,
   iii) is a member of key management personnel of the Company or a subsidiary of the Company.

b) If any of the following conditions exist, the entity is deemed to be associated with the Company:

   i) If the business and the company are members of the same group,
   ii) The operator is an affiliate or a business partner of the other business (or a member of a group that is also a member of another business),
   iii) If both businesses are partnerships of the same third party
   iv) One of the businesses is a third-party business partner and the other is a third-party affiliate,
   v) In the event of an employee having benefit plans provided after leaving the Company in relation to the employees of the Company or an enterprise associated with the Company. If there is such a plan of the company itself, sponsor employers are also associated with the Company,
   vi) The operator is controlled or jointly controlled by a person described in (a),
   vii) has a significant effect on the business of a person identified in (i) or is a member of the key management personnel of the said entity (or its parent company).

Transactions with related parties are disclosed in Note 3.

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

2.5 Significant accounting policies (Continued)

2.5.2 Revenue recognition

The Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

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

a) Determining contracts with customers
b) Determining performance obligations in the contract
c) Determining the transaction price in the contract,
d) Allocating the transaction price to the performance obligations in the contract,
e) Recognizing revenue when each performance obligation is fulfilled.

According to this model, the goods or services undertaken in each contract with the customers are evaluated and each commitment to transfer the goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled in time or at a certain time. If the Group transfers the control of a good or service over time and thus fulfills the performance obligations related to the related sales over time, it measures the progress of the fulfillment of the performance obligations and recognize the revenue to the consolidated financial statements. Revenue related to performance obligations, such as goods or service transfer commitments, is recognized when customers are in control of the goods or services.

The Group recognize revenue from its customers only when all of the following criteria are met:

a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customer business practices) and are committed to perform their respective obligations,
b) The Group can identify each party's rights regarding the goods or services to be transferred,
c) The Group can identify the payment terms for the goods or services to be transferred,
d) The contract has commercial substance,
e) It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Revenue from product sales

The Group generates revenue as a result of the sale of paint, varnish, resin and other surface coating, building and thermal insulation materials, raw materials and tools and equipments used in its application. Revenue is recognized when product control is transferred to the customer (Note 16).

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

2.5 Significant accounting policies (Continued)

Evaluating the transfer of the control of the goods or services sold to the customer;

- The Group has a present right to payment for the asset,
- The customer has legal title to the asset,
- The Group has transferred physical possession of the asset,
- The customer has the significant risks and rewards of ownership of the asset,
- The customer has accepted the asset.

For each performance obligation, the Group determines whether it has fulfilled its performance obligation at the beginning of the contract or whether the performance obligation fulfilled at a certain point in time. The Group recognize revenue from product sales in the consolidated financial statements following the transfer of control to the customer.

Within the scope of TFRS 15, in cases where the period between the transfer date of the promised good or service to the customer and the date the customer pays the price of this good or service is one year or less at the beginning of the contracts made with the customers, no adjustment is made on the assumption that a significant financing component has no effect on the promised transaction price. option is available. If there is a significant financing element in the revenue arising from the Group's forward sales contracts, the transaction price is determined by discounting the future collections with the interest rate included in the financing element.

The Group recognizes revenue when it has right to collect the consideration which is equal to the price of performance obligation fulfilled by the perspective of customer (after the delivery of goods) in an amount of its right to invoice.

Transaction price is determined by considering variable components like volume rebates given to customers, action fees and listing costs. Payment of the transaction price is due immediately when the customers purchase the products. It is the Group's policy to sell its products to the customers with a right of return within if there are acceptable reasons caused by faulty or obsolete products.

Interest income is recorded periodically by applying the effective interest method. When a provision for impairment is set aside, the Group calculates the carrying value of the receivable to its recoverable amount based on the estimated future cash flow discounted on the basis of the original effective interest rate of the related receivable and records that discount as interest income. Interest income on loans is recorded using the effective interest rate method.

2.5.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable selling expenses. Cost elements included in inventories comprise all costs of purchase of material and other costs incurred in bringing the inventories to their present location and condition such as labor and appropriate amount of factory overheads. Inventory cost calculation system is phase cost, and the Group evaluates its inventories according to the appropriate cost method. (Note 6).

Aging and physical condition of inventories are assessed in terms of impairment and provision is recognized for inventories that are identified as obsolete in accordance with related accounting policies. As of the reporting date, details regarding the provision for inventory impairment are provided in Note6.

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

2.5 Significant accounting policies (Continued)

2.5.4 Financial assets

Classification and measurement

The Group classifies its financial assets in the following categories, financial assets recognized at amortized cost and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Group management determines the classification of its financial assets at initial recognition.

Financial assets recognized at amortized cost

Financial assets with fixed or determinable payments that are not traded in an active market, and which are not derivatives, where management adopts the business model of collecting contractual cash flows and contract terms only include interest payments arising from principal and principal balance, are recognized as assets that are at amortized cost. If the maturities are less than 12 months from the balance sheet date, they are classified as the current assets. If the maturities are longer than 12 months, they are classified as non-current assets. Assets that are accounted for at amortized cost include 'trade receivables', 'other receivables' and 'cash and cash equivalents' in the balance sheet.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated financial statements. As of December 31 2024 and 2023, the Group's financial assets at fair value through profit or loss includes foreign currency forward derivative transactions.

Derivative financial instruments

The Group makes forward foreign exchange contracts in the foreign currency market. According to the Group 's risk management policies, such futures contracts entered for hedging purposes are classified as held for trading because they do not meet the requirements for hedge accounting in accordance with IFRS 9 Financial Instruments, liabilities and assets are recognized at fair value and changes in fair value are reflected in the income statement. If the gain or loss arising from the fair value measurement of the derivative financial instruments at the reporting date and the gain or loss arising from derivative transactions realized within the period relates to the operating activities of the derivative transactions, are recognized in the consolidated statements of profit or loss.

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

2.5 Significant accounting policies (Continued)

2.5.5 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand accounts, and deposits held at banks. Cash and cash equivalents are highly liquid investments with maturities less than 3 months. Cash and cash equivalents are stated at their fair values in the consolidated financial statements (Note 4).

2.5.6 Cash flow statement

In the statement of cash flows, cash flows are classified into three categories as operating, investing and financing activities. Cash flows from operating activities are those resulting from the Group's production and sales activities. Cash flows from investing activities indicate cash flows associated with the Group's investing activities (such as purchase of or proceed from sale of property, plant and equipment) from property, plant and equipment and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources.

2.5.7 Trade receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 5).

A doubtful receivable provision for trade receivables is established if there is objective evidence that the company will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay in the future collection are included under objective evidences.

The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. Also, the Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, company measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the collection amount is decreased from the doubtful receivable provisions and recorded as income to the income statement.

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

2.5 Significant accounting policies (Continued)

2.5.8 Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 5).

2.5.9 Borrowing and borrowing cost

Borrowings are recognized initially at the proceeds received; net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortized cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred. If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities (Note 11).

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

2.5.10 Property, plant and equipment

Tangible assets other than lands, underground and surface improvements and buildings are shown at cost on a TRY purchasing power basis as of December 31, 2024, after deducting accumulated depreciation and impairment losses, if any. Land, land improvements and buildings are stated at fair value based on valuations by external independent valuers performed on December 31 2024 and 2023 (Note 9). Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount the revalued amount of the asset.

Increases in the carrying amount arising on the revaluation of land, land improvements and buildings are credited to the revaluation reserve in equity, net of applicable deferred income tax. For certain assets, the increase was recognized in the consolidated statement of comprehensive income to the extent that it reversed the impairment of the same asset previously recognized in the consolidated statement of comprehensive income. Decreases that offset previous increases of the revalued asset are charged against that reserve; all other decreases are charged to the consolidated statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the consolidated statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to accumulated losses, and the amount transferred is net of any related deferred income tax.

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

2.5 Significant accounting policies (Continued)

Property, plant and equipment are capitalized and depreciated when they are in the location and condition necessary for it to be capable of operating in the manner intended by the management. Residual values of property, plant and equipment are deemed as negligible. The advances given for the property, plant and equipment purchases are classified in prepaid expenses under the other non-current assets until the related asset is capitalized. At each balance sheet date, residual values and estimated useful lives of property, plant and equipment are reviewed and adjusted if appropriate, prospectively.

Depreciation is provided on the cost or revalued amounts of property, plant and equipment on a straight-line basis less any impairment (Note 9).

Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of property, plant and equipments are as follows:

	Years
Land and land improvements	10-40
Buildings	10-42
Furniture and fixtures	3-10
Machinery and equipments	2-25
Motor vehicles	4-8
Other fixed assets	5

Subsequent costs are included in the asset's carrying value or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, property plant and equipment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use.

If the property, plant and equipment that are impaired are revalued, the impairment is charged to the revaluation reserves for an amount equivalent to the increases included in the revaluation reserve in the preceding periods and the remaining amount is recognized in the consolidated statement of comprehensive income.

Repairs and maintenance are charged to the consolidated statements of comprehensive income during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying value or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The Group derecognizes the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Subsequent costs included in the asset's carrying value or recognized as separate asset, are depreciated based on their useful lives.

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

2.5 Significant accounting policies (Continued)

2.5.11 Leases

The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

a) The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
b) A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
c) The Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
d) The Group has the right to direct the use of an identified asset. The Group considers that it has the right to use an asset if decisions on how and for what purpose the asset will be used are predetermined. The Group has the right to direct the use of the asset throughout the period of use only if either:

    i. The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
    ii. The Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group recognizes a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) the amount of the initial measurement of the lease liability,
b) any lease payments made at or before the commencement date, less any lease incentives received,
c) any initial direct costs incurred by the Group, and
d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

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

2.5 Significant accounting policies (Continued)

When applying the cost model, the Group measures the right-of-use asset:

a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in IAS 16 "Property, Plant and Equipment" Standard in depreciating the right-of-use asset. The Group applies IAS 36 "Impairment of Assets" Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments, less any lease incentives receivable,
b) variable lease payments that depend on an index or a rate,
c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

a) increasing the carrying amount to reflect interest on the lease liability,
b) reducing the carrying amount to reflect the lease payments made and
c) The Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Options to extend and terminate

Group assesses the contractual options to extend or to terminate the lease when determining the lease liability. The majority of the options to extend and terminate are exercisable both by the Group and the respective lessor. Group determines the lease term of a lease considering the periods covered by options to extend and terminate the lease if the options are exercisable by the Group and the Group is reasonably certain to exercise those options. If a significant change in circumstances takes place, related lease term assessment is revisited by the Group.

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

2.5 Significant accounting policies (Continued)

Variable Lease Payments

Lease payments arising from a part of the Group's lease agreements consist of variable lease payments. The mentioned variable lease payments, which are not covered by the TFRS 16 standard, are recorded as income on the income statement in the relevant period.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 and related lease payments are recognized as an expense in the period in which they are incurred. Furthermore, single discount rate is used to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease terms for a similar group of assets in a similar economic environment).

2.5.12 Intangible assets

Intangible assets are measured at cost less accumulated depreciation and impairment, if any.

Intangible assets mainly comprise acquired rights, trademarks, industrial software, distributor list, software license rights and other rights and capitalized at fair value.

Intangible assets (software license right and other rights) are amortized on a straight-line basis over their estimated useful lives for a period of mainly 3-20 years from the date of acquisition. Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.5.13 Non-current assets held for sale

Real estates related to the old production facility not in use for which the Group management has initiated an active plan for the sale:

The Group management has initiated an active plan for the sale of the old Pimas production facility in Gebze on October 20, 2021, and these assets in accordance with the provisions of TFRS 5 "Assets Held for Sale and Discontinued Operations" as of the same date, transferred to non-current assets held for sale. These assets are actively marketed at a price consistent with their current fair value, and the sale is expected to be completed within one year from the date of classification. Various events or circumstances may extend the completion time of the sale transaction beyond one year. If the delay is due to events or conditions beyond the Group's control and there is sufficient evidence that the Group's plan to sell the related asset is in progress; Extending the time required to complete the sale does not preclude the asset from being classified as held for sale. The Group measures assets classified as held for sale at the lower of their carrying amount and fair value less costs to sell.

When these assets are sold, the difference between sales amount and the carrying value of the asset is recognized in the statement of profit or loss.

When these and similar assets are sold, the difference between the amount of sales and the value of the asset is accountable in the profit or loss table.

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

2.5 Significant accounting policies (Continued)

2.5.14 Research and development expenses

Expenditure on research activities are recognized as an expense in the period in which they are incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognized as intangible assets when the following criteria are met;

- It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

In other cases, development costs are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. In cases where it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and expensed immediately.

2.5.15 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an impairment indication for the assets, except for the deferred income tax asset. The recoverable amounts of intangible assets not yet available for use to be measured annually. When an indication of impairment exists, the Group estimates the recoverable amounts of such assets. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are allocated to cash generating units for the purpose of impairment testing, which is undertaken on the lowest level. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the statement of comprehensive income.

Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognized.

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

2.5 Significant accounting policies (Continued)

2.5.16 Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

In cases where the time value of money is material, provisions are determined as the present value of expenses required to be made to settle the liability. The rate used to discount provisions to their present values is determined considering the interest rate in the related markets and the risk associated with the liability. The discount rate must be pre-tax and does not consider risks associated with future cash flow estimates. In cases where the time value of money is material and the provisions approach to their expected realization date, the increase in the provision due to passage of time is recognized as interest expense in the consolidated statement of income and other comprehensive income.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are treated as contingent assets or liabilities. The Group does not recognize contingent assets and liabilities (Note 14). Provisions are not recognized for future operating losses.

Warranty provision

The Group provides warranty regulations for products sold in Turkey. The Company makes provision for the said commitment by estimating the possible warranty obligation over the sales made within the framework of the current legal regulations, based on its past experiences.

Contingent assets and liabilities

Contingent liabilities are not reflected in the financial statements but explained in the footnotes if the situation requiring resource transfer is not highly likely. Contingent assets, on the other hand, are not reflected in the financial statements and explained in footnotes if the possibility of generating economic gains is high.

In order to determine provisions for lawsuits, the probability of losing the relevant lawsuits and the consequences to be incurred in case of loss are evaluated in line with the opinions of the Group's legal advisors and the amount of the provision is determined. In addition, based on the ongoing tax review, a provision is accounted for possible cash outflow based on the best estimates within the current information, taking into account the opinions of the Group tax advisors within the framework of the applicable tax laws.

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

2.5 Significant accounting policies (Continued)

2.5.17 Employee benefits/severance pay

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Company is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. All actuarial gains and losses are recognized in other comprehensive income.

Unused vacation

Liabilities due to unused vacations classified as provisions due to employee benefits are accrued and discounted if the discount effect is material.

Seniority incentive bonus

There is a benefit for the Company's top executives in return for their long stay in the Company. The provision for this benefit accrued in the financial statements represents the estimated total provision for future liabilities, discounted as of the balance sheet date.

2.5.18 Current period tax expense and deferred tax

Tax expense includes current period tax expense and deferred tax expense. The tax is included in the income statement, provided it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under equity with the relevant transaction.

Current tax expense is calculated by taking into account the tax laws in force in the countries where the Group's subsidiaries operate as of the date of the statement of financial position. According to Turkish tax legislation, the corporations whose legal or business centers are in Turkey are subject to corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

In addition, temporary tax at a rate of 25% is paid over the tax bases declared during the year to be deducted from corporate tax. The corporate tax rate in India is 26%. (Note 23)

As of December 31, 2024, and 2023, income tax provisions have been accrued in accordance with the prevailing tax legislation.

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

2.5 Significant accounting policies (Continued)

75% of the profits arising from the sale of participation shares held in the Company's assets for more than two years, as well as founding shares, usufruct shares and pre-emptive rights held for the same period, and 75% of the profits arising from the sale of immovable properties that were in the Company's assets for the same period as of July 15, 2023. It is exempt from tax, provided that 25% of it is added to the capital or kept in a special passive fund account for 5 years, as stipulated in the Corporate Tax Law. Corporate tax exemption is not applied to profits arising from the sale of real estate that has been activated as of July 15, 2023.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

In the financial statements dated December 31, 2024, the Company's postponed tax assets and obligations used 25 %for the tax impact of temporary differences in the following periods.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Provided that deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority, and it is legally eligible, they may be offset against one another.

Deferred tax assets are recorded when it is highly probable to benefit from temporary differences and accumulated losses by generating taxable profit in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimates and evaluations regarding the taxable profits that may occur in the future.

The Group management determines the taxable profit amount by taking into account the predictable future profit or loss projections while accounting the deferred tax from the mentioned tax advantages. In addition, the Group management accounts for its tax assets and liabilities by making all necessary evaluations in line with the opinions of tax consultants within the framework of the tax laws in force in the countries where they operate. Explanations on the aforementioned tax assets and liabilities are included in Note 23.

2.5.19 Government grants

Government grants, including non- monetary grants at fair value, are recognized in consolidated financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to them, and the grants will be received. The Group accounts government subsidies for brand development and related marketing expenses by offset marketing, selling and distribution expenses on consolidated financial statements. Government grants and subsidies comprise of research and development incentives and investment incentives.

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

2.5 Significant accounting policies (Continued)

2.5.20 Earnings per share

The calculation of earnings per share is based on net profit attributable to equity holders of the parent divided by weighted average number of ordinary shares outstanding during the period (Note 24).

2.5.21 Share premiums

Share premium represents differences resulting from the sale of the Company's subsidiaries and associates' shares at a price exceeding the face values of those shares or differences between the face values and the fair value of shares issued for acquired companies.

2.5.22 Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on ordinary shares are recognized as an appropriation of the profit in the period they are declared. Dividends received are recorded as income on the date when the right to collection occurs.

Advance profit shares refer to the amount calculated in accordance with the provisions of the CMB and dividend communiqué on the profits formed according to the financial statements to be deducted from the profit share to be distributed over the annual financial statements.

2.5.23 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

2.5.24 Events after the reporting period

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced; include all events that take place between the balance sheet date and the date when financial statements were authorized for issue.

In the case that adjusting events occur after the reporting period, the Group adjust the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting period. Moreover, non-adjusting events that are indicative of conditions that arose after the reporting period should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.

2.5.25 Going concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

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

2.6 Critical Accounting Estimates and Judgements

Preparation of consolidated financial position statements (balance sheet) requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Group management are as follows:

a) Revalued amounts of land, land improvements and buildings

Revaluations are performed with the sufficient regularity to ensure that the carrying amounts of the revalued property, plant and equipment do not differ materially from that which would be determined using fair value at the end of the reporting periods. The frequency of the revaluation depends upon the changes in the fair values of the items of property, plant and equipment. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required and revaluation is performed for entire class of revalued item simultaneously. Besides, for items of property, plant and equipment with only insignificant changes in fair value frequent revaluations and fair value measurements are considered unnecessary.

As a result of the assessments made by the Group management, land, land improvements and buildings held by the Group are carried at their fair values in the consolidated financial statements as of December 31, 2024, and 2023 based on the valuations performed by an external independent valuer.

The details of the methods and assumptions used for valuations of land, land improvements and buildings are as follows:

- In fair value calculations, the highest and best use evaluation was made and the current usage purposes were determined as the highest and best use. Market reference comparison method was used for lands, and the cost approach method was used for land improvements and buildings.

- In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m² sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the real estate market, also, current information and experience of the professional valuation company was utilized.

- In the cost approach method, the value of the real estate was determined by adding the investment costs on the land after the amortization (after adding any interests or gains, removing the wearing out). The peer comparison method described above was also used to calculate the plot value from the components discussed in the cost approach method.

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

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

2.6 Critical Accounting Estimates and Judgements (Continued)

The fair values may differ from the amounts that would result from the outcome of a sales transaction between independent parties.

The values determined by the cost approach method were evaluated according to IAS 36 "Impairment in Assets" in terms of the date when they were first accounted in the consolidated financial statements, and whether there are impairment indicators or not.

b) Trade receivables and impairment

The Group management takes into consideration the guarantees received from customers, past collection performances, maturity analysis, disputes or claims related to receivables or lawsuits when evaluating the recoverability of such trade receivables. The determination of the doubtful receivables as well as the provision amounts for these receivables as a result of all these evaluations include management's assumptions and estimates.

Although these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions.

NOTE 3 - RELATED PARTY DISCLOSURES

Summary of the related party balances as of December 31, 2024, and December 31 2023 and significant related party transactions during the period were as follows:

i) Balances with related parties:

a) Short-term trade receivables from related parties:

	31 December 2024	31 December 2023
Deceuninck SAS (Columbia) (2)	143,520,511	260,466,287
Deceuninck Romania SRL (2)	52,122,882	40,512,377
Deceuninck NV (1)	39,766,957	37,587,142
Deceuninck South America (2)	15,464,950	32,775,317
Deceuninck doo – Croatia (2)	15,156,212	24,102,111
Deceuninck Pty Ltd (2)	573,817	16,031,501
Deceuninck (Thailand) Co Ltd (2)	233,027	17,495,544
Other Deceuninck Group Companies (2)	27,257,129	68,030,030
	294,095,485	**497,000,309**

(1) Parent company having control over the Group.Companies that are members of the same group as the Group.

(2) Other related entities under common control.

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Short-term trade receivables from related parties are related to product sales.

As of December 31 2024 and 2023, the due dates of trade receivables from related parties are as follows:

	31 December 2024	31 December 2023
Overdue receivables (*)	150,083,061	279,362,688
0-30 days due	57,120,520	76,068,747
30-120 days due	85,517,280	125,598,958
121-180 days due	1,374,624	15,969,916
	294,095,485	**497,000,309**

(*) Group management believes that the Group management does not include any suspicious receivables by considering the past experience in collecting its commercial receivables from the associated parties and the guarantees received from the main partner.

The carrying value of short-term trade receivables from related parties approximate to their fair values.

b) Other short-term receivables from related parties:

	31 December 2024	31 December 2023
Deceuninck (Majority Shareholder)	-	332,071,174
	-	**332,071,174**

As of December 31, 2024, the Company has no other receivables from its related parties. (As of December 31, 2023, the maturity of TRY144,378,771 of the Company's other receivables from its related parties is 9 May 2024 and the annual average effective interest rate it applies is 26%, and the maturity of the TRY187,692,403 part is November 23, 2024, and the annual average effective interest rate it applies. It is 41.50%.)

c) Prepaid expenses due from related parties:

	31 December 2024	31 December 2023
Other Group Companies	6,693,506	51,120,892
	6,693,506	**51,120,892**

d) Short-term trade payables to related parties:

	31 December 2024	31 December 2023
Deceuninck NV (1)	7,031,171	98,875,391
Other Deceuninck Group Companies (2)	16,812,504	77,779,939
	23,843,675	**176,655,330**

A significant portion of short-term debts to related parties; It arises from foreign raw material purchases and consultancy and consultation services received from Deceuninck NV.

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

ii) Transactions with Related Parties:

a) Product sales to related parties:

	1 January - 31 December 2024	1 January - 31 December 2023
Deceuninck NV (1)	4,160,679	21,859,314
Other Deceuninck Group Companies (2)	665,219,277	995,499,619
	669,379,955	**1,017,358,933**

Most of the sales to the associated parties consist of sales to Deceuninck SAS (Colombia), Deceuninck Romania Srl and Deceuninck South America (CHILE) companies.

b) Service and product purchases from related parties:

Deceuninck NV (1)	4,639,540	48,013,736
Other Deceuninck Group Companies (2)	9,196,535	23,866,867
	13,836,074	**71,880,603**

c) Purchases of tangible fixed assets from related parties:

Deceuninck NV (1)	-	11,490,432
Other Deceuninck Group Companies (2)	23,564,232	6,153,025
	23,564,232	**17,643,457**

d) Sales of tangible fixed assets to related parties:

Deceuninck NV (1)	31,078,837	14,205,708
Other Deceuninck Group Companies (2)	339,674	2,100,225
	31,418,511	**16,305,933**

e) Other expenses from related parties:

	1 January - 31 December 2024	1 January - 31 December 2023
Deceuninck NV (1)(*)	321,789,992	440,470,492
	321,789,992	**440,471,192**

(*) As of December 31 2024, TRY151,081,548 (December 31 2023: TRY222,632,112) of this amount was paid for management services, TRY130,002,361 (December 31 2023: TRY196,044,279) for information technology systems whereas TRY40,706,083 (December 31 2023 TRY21,794,104) consists of the royalties.

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Foreign exchange gains / (losses) from related parties -net:

	1 January - 31 December 2024	1 January - 31 December 2023
Other Deceuninck Group Companies (2)	(20,356,017)	(178,211,095)
Deceuninck NV (1)	3,660	(340,070)
	(20,352,357)	**(178,551,165)**

g) Key management benefits:

Key management consists of senior managers, board members, general manager and directors, and the benefits provided to these managers are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Total short-term benefits	95,855,500	92,321,758
Total long-term benefits	-	13,998,146
Termination benefits	2,522,043	4,105,570
	98,377,543	**110,425,474**

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Banks	528,459,909	977,964,422
- Time deposits	489,147,327	886,731,703
- TRY denominated time deposits	436,800,000	291,696,543
- Foreign currency denominated time deposits	52,347,327	595,035,160
- Demand deposits	39,312,582	91,232,719
- TRY denominated demand deposits	38,537,485	60,403,049
- Foreign currency denominated demand deposits	775,097	30,829,670
Cheques in collection	43,456,894	182,580,605
	571,916,803	**1,160,545,027**

Futures deposits consist of short -term deposits in a month (December 31 2023: one month), which are in a month, and the effective weighted average interest rate is 49 % , 2% and 0,3 % (December 31 2023: It consists of short -term TRY and deposits in US with a maturity of a month and the an effective weighted average annual interest rate is 23.85 %and 0.03 %, respectively). Based on the independent data with respect to the credit risk assessment of the banks, at which the Group has deposits, the credit quality of the banks is sufficient.

As of December 31, 2024, the Group has a blocked deposit of TRY32,654,301 (December 31 2023: TRY36,331,374) there and the amount consists of deposits arising from DBS collections which can be used within 2 days following the balance sheet date.

Cheques in collection includes cheques with maturities within 3 days that are kept in banks for collection.

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables to third parties:

	31 December 2024	31 December 2023
Cheques and notes receivable	3,888,768,600	2,932,976,427
Customer current accounts	158,179,008	872,827,142
	4,046,947,608	**3,805,803,569**
Less: Trade receivable rediscount	(157,926,631)	(195,742,674)
	3,889,020,977	**3,610,060,895**

The average maturity of commercial receivables is between 1 to 3 months (December 31 2023: 1 - 3 months).

As of December 31 2024 and 2023, the movement table for provision for doubtful trade receivables is as follows:

	2024	2023
1 January	**195,742,674**	**185,342,234**
Current period provision expense	66,022,816	134,273,578
Current year collections	(46,955,922)	(37,994,293)
Collections	(319,083)	(4,396,715)
Currency translation differences	3,603,190	14,570,954
Monetary loss/gain	(60,167,044)	(96,053,084)
31 December	**157,926,631**	**195,742,674**

As of December 31 2024 and 2023, the aging of trade receivables that are past due but not impaired are as follows:

	31 December 2024	31 December 2023
Up to 30 days	21,760,537	29,164,007
30-60 days	12,720,573	17,048,424
60-90 days	18,598,796	24,926,563
90-180 days	10,239,546	13,723,292
Up to 180 days	24,185,517	32,414,025
	87,504,968	**117,276,311**

As of December 31 2024 and 2023, since the amount of guarantees received from customers for past due but not impaired receivables covers the uncollected receivables, no additional provision is recognized in the consolidated financial statements.

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES (Continued)

As of December 31 2024, there are bank letters of guarantee amounting to TRY369,556,209, guarantee notes amounting to TRY27,145,025 and first degree mortgages amounting to TRY1,178,490,860 received as a guarantee for total trade receivables of the Group (December 31 2023: TRY396,086,484, TRY17,988,147 and TRY1,078,826,257 respectively) (Note 14). Explanations on the Group's credit risk management can be found in Note 25.

Concentrations of credit risk with respect to trade receivables are limited due to the Group’s widely dispersed customer base, covering the spectrum of manufacturing and distribution and the variety of available markets in which they sell. Due to these factors, the Group management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group’s trade receivables.

b) Short-term trade payables:

	31 December 2024	**31 December 2023**
Supplier current accounts	1,556,191,494	2,350,733,955
Notes payable	505,310,788	314,946,158
	2,061,502,282	**2,665,680,113**

The average maturity of commercial debts is 3 - 6 months (December 31 2023: 3 - 6 months).

NOTE 6 - INVENTORIES

	31 December 2024	**31 December 2023**
Raw materials	219,396,735	337,718,218
Work in progress	78,243,236	121,628,460
Finished goods	245,696,701	452,877,270
Trade goods	211,774,362	326,158,208
Provision for obsolescence of inventory (-)	(42,118,951)	(78,255,255)
	712,992,083	**1,160,126,901**

Cost of inventories recognized as expense and included in cost of goods sold amounted to TRY5,574,456,544 (December 31, 2023: TRY6,633,063,902).

Raw materials mainly consist of PVC, lamination materials and adhesives used in profile production.

As of December 31, 2024, provision for obsolescence of inventory consists of provisions related with raw material, finished goods and trade goods inventories amounting to TRY3,075,587, TRY17,170,248 and TRY21,870,116 respectively (December 31 2023: TRY52,038,968, TRY16,226,645 and TRY9,989,642, respectively).

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

NOTE 6 - INVENTORIES (Continued)

The movement of provision for obsolescence of inventory for the years ended December 31 2024 and 2023 is as follows:

	2024	**2023**
1 January	**78,255,255**	**69,660,108**
Increase/(decrease) in the period, net	(36,136,304)	8,595,147
31 December	**42,118,951**	**78,255,255**

NOTE 7 - PREPAID EXPENSES

	31 December 2024	**31 December 2023**
a) Short-term prepaid expenses		
Order advances given	41,121,572	9,932,311
Other	38,596,377	33,110,528
	79,717,949	**43,042,839**
b) Long-term prepaid expenses		
Advances given for the purchase of fixed assets	14,608,827	83,680,043
Prepaid expenses due from related parties (Note 3)	6,693,506	51,120,892
Other	958,349	1,577,578
	22,260,682	**136,378,513**

NOTE 8 - OTHER ASSETS AND LIABILITIES

	31 Decemeber 2024	**31 December 2023**
a) Other current assets		
Job advances	15,603,892	20,693,323
Value added tax ("VAT") deductible	287,854	70,665,758
Other	8,417,427	831,812
	24,309,173	**92,190,893**
b) Other short term liabilities		
Provisions for expenses	40,628,108	55,972,022
Taxes and funds payable	38,876,932	70,075,952
Total	**79,505,040**	**126,047,974**

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2024	Additions	Transfers	Disposals	Foreign Currency Translation Adjustment	Net-off Accumulated Depreciation Before Revaluation	Revaluation increases	31 December 2024
Cost/ revaluation:								
Land	1,321,842,214	-	-	-	-	-	115,587,786	1,437,430,000
Buildings, land and land improvements	2,706,619,670	16,495,887	7,703,673	-	-	(82,018,778)	115,979,548	2,764,780,000
Machinery and equipments	4,064,180,732	296,198,452	136,759,602	(35,425,936)	-	-	-	4,461,712,850
Motor vehicles	118,396,675	-	-	(21,080,529)	-	-	-	97,316,146
Furniture and fixtures	84,872,761	10,151,794	4,185,946	(1,166,604)	-	-	-	98,043,897
Construction in progress	247,678,287	21,883,621	(148,649,221)	-	-	-	-	120,912,687
	8,543,590,339	**344,729,754**	**-**	**(57,673,069)**	**-**	**(82,018,778)**	**231,567,334**	**8,980,195,580**
Less: Accumulated depreciation:								
Buildings, land and land improvements	-	(82,018,778)	-	-		82,018,778	-	-
Machinery and equipments	(2,877,585,133)	(291,104,934)	-	17,841,679	-	-	-	(3,150,848,388)
Motor vehicles	(45,081,890)	(15,940,405)	-	12,350,364	-	-	-	(48,671,931)
Furniture and fixtures	(41,996,725)	(3,830,587)	-	949,844	-	-	-	(44,877,468)
	(2,964,663,748)	**(392,894,704)**	**-**	**31,141,887**	**-**	**82,018,778**	**-**	**(3,244,397,787)**
Net book value	**5,578,926,591**							**5,735,797,793**

1 January – December 31, 2024, In the account period, a significant portion of the entrances to the machinery, facilities and devices are related to the machines used by the company for production activities and are mainly related to the additional production plant which is mainly made.

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

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2023	Additions	Transfers	Disposals	Foreign Currency Translation Adjustment	Net-off Accumulated Depreciation Before Revaluation	Revaluation increases	Revaluation decreases	31 December 2023
Cost/ revaluation									
Land	958,974,521	-	-	-	-	-	362,867,693	-	1,321,842,214
Buildings, land and land improvements	2,129,252,174	-	109,540,395	-	492,245	(64,235,275)	531,570,131	-	2,706,619,670
Machinery and equipments	3,815,769,155	60,290,567	158,728,872	(5,123,560)	34,515,699	-	-	-	4,064,180,732
Motor vehicles	63,918,255	53,676,171	-	(1,782,404)	2,584,653	-	-	-	118,396,675
Furniture and fixtures	70,463,522	9,026,956	-	-	5,382,283	-	-	-	84,872,761
Construction in progress	268,271,375	247,676,179	(268,269,267)	-	-	-	-	-	247,678,287
	7,306,649,001	**370,669,873**	**-**	**(6,905,964)**	**42,974,880**	**(64,235,275)**	**894,437,824**	**-**	**8,543,590,339**
Less: Accumulated depreciation:									
Buildings, land and land improvements	-	(64,235,275)	-	-	-	64,235,275	-	-	-
Machinery and equipments	(2,639,320,901)	(211,545,918)	-	4,990,882	(31,709,196)	-	-	-	(2,877,585,133)
Motor vehicles	(23,908,779)	(20,370,860)	-	819,920	(1,622,171)	-	-	-	(45,081,890)
Furniture and fixtures	(30,756,766)	(7,244,931)	-	-	(3,995,028)	-	-	-	(41,996,725)
	(2,694,033,919)	**(303,396,984)**	**-**	**5,810,802**	**(37,326,395)**	**64,235,275**	**-**	**-**	**(2,964,663,748)**
Net book value	**4,612,615,082**								**5,578,926,591**

Main additions to machinery and equipments during the period between January 1 – December 31, 2023, are related with laser cutting tools. Majority of the transfers from the construction in progress during the period between January 1 – December 31, 2023, are related with the transfer of the mold production project to machinery and equipments that are ready to use.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT(Continued)

The allocation of depreciation and amortization expenses of the Group for the periods between January 1 - December 31 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	(327,460,669)	(262,451,618)
Marketing expenses	(104,186,463)	(83,502,870)
General and administrative expenses	(43,152,666)	(34,585,793)
Research and development expenses	(234,728)	(188,128)
	(475,034,526)	**(380,728,409)**

There is no mortgage or pledge on the Group's property, plant and equipments.

Movements in revaluation reserve related to land, land improvements and buildings for the period between January 1 - December 31, 2024, and 2023 were as follows:

	2024	2023
1 January	**1,897,726,988**	**770,304,900**
Increase due to revaluation of land, land improvements and buildings	231,583,483	894,437,824
Deferred tax calculated on the increase arising from the revaluation of land, , land improvement and buildings	(50,667,597)	(200,930,225)
Depreciation on revaluation reserve transferred to retained earnings, net	(17,143,647)	(16,107,128)
Deferred tax effect related to revaluation increases recognized in current period tax records (*)	-	450,021,617
31 December	**2,061,499,227**	**1,897,726,988**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 10 - RIGHT OF USE ASSETS

Movements of right of use assets and accumulated depreciation between January 1 and December 31 2024 were as follows:

Cost:	**1 January 2024**	**Additions**	**Disposals**	**Translation Difference**	**31 December 2024**
Buildings	165,982,911	6,914,672	-	-	172,898,763
Machinery and equipment	236,113,703	27,515,721	-	-	263,629,424
Motor vehicles	115,468,075	9,598,265	-	-	125,066,340
	517,565,869	**44,028,658**	**-**	**-**	**561,594,527**
Less: Accumulated Depreciation:					
Buildings	(123,911,096)	(19,316,962)	-	-	(143,228,058)
Machinery and equipment	(187,032,047)	(42,487,420)	-	-	(229,519,467)
Motor vehicles	(67,950,046)	(17,395,448)	-	-	(85,345,494)
	(378,893,189)	**(79,199,830)**	**-**	**-**	**(458,093,019)**
Net book value	**138,671,500**				**103,501,508**

Additions to right-of-use assets between January 1 and December 31 2024 are mainly due to building rentals, forklift rentals and motor vehicles rentals.

Movements of right of use assets and accumulated depreciation between January 1 and December 31 2023 were as follows:

Cost:	**1 January 2023**	**Additions**	**Disposals**	**Translation Difference**	**31 December 2023**
Buildings	170,406,653	6,488,757	(25,824,995)	14,912,496	165,982,911
Machinery and equipment	230,501,422	5,612,281	-	-	236,113,703
Motor vehicles	71,122,584	44,345,491	-	-	115,468,075
	472,030,659	**56,446,529**	**(25,824,995)**	**14,913,676**	**517,564,689**
Less: Accumulated Depreciation:					
Buildings	(105,367,760)	(19,831,488)	10,221,874	(8,933,722)	(123,911,096)
Machinery and equipment	(145,554,889)	(41,477,158)	-	-	(187,032,047)
Motor vehicles	(54,916,875)	(13,033,171)	-	-	(67,950,046)
	(305,839,524)	**(74,341,817)**	**10,221,874**	**(8,933,722)**	**(378,893,189)**
Net book value	**166,191,135**				**138,671,500**

Additions to right-of-use assets between January 1 and December 31 2023 are mainly due to warehouse rentals and forklift rentals.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - BORROWINGS AND BORROWING COSTS

	31 December 2024	31 December 2023
Short-term borrowings	335,844,193	152,824,930
Short-term portion of long-term borrowings	86,833,275	59,459,110
Lease liabilities	47,280,386	51,666,776
Short-term borrowings	**469,957,854**	**263,950,816**
Long-term borrowings	62,828,282	189,989,127
Lease liabilities	23,116,502	76,515,125
Long-term borrowings	**85,944,784**	**266,504,252**
Total financial liabilities	**555,902,638**	**530,455,068**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - BORROWINGS AND BORROWING COSTS (Continued)

a) Bank borrowings:

	Effective Weighted Average Interest Rate p.a. (%)		Original Amount		TRY Equivalent	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term borrowings:						
TRY	35.97	35.75	330,000,000	147,266,347	330,000,000	147,266,347
Interest accrual	-	-	5,844,193	5,558,583	5,844,193	5,558,583
					335,844,193	**152,824,930**
Short-term portion of long-term borrowings:						
TRY	35.67	18.93	36,132,077	52,843,699	36,132,077	52,843,699
EUR	0.75	-	1,000,000	-	36,802,400	-
Interest accrual	-	-	13,898,798	6,615,411	13,898,798	6,615,411
					86,833,275	**59,459,110**
Total short-term bank borrowings					**422,677,468**	**212,284,040**
Long-term borrowings:						
TRY	38.99	19.44	62,828,282	142,874,580	62,828,282	142,874,580
EUR	0.75	0.75	-	1,000,000	-	47,114,547
Total long-term bank borrowings					**62,828,282**	**189,989,127**
Total bank borrowings					**485,505,750**	**402,273,167**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - BORROWINGS AND BORROWING COSTS (Continued)

As of December 31 2024 and 2023 repayment schedule of long-term borrowings are as follows:

	31 December 2024	31 December 2023
Within 1-2 years	99,196,845	35,959,596
Within 2-3 years	51,918,023	26,868,686
Within 3-4 years	38,874,259	-
	62,828,282	**189,989,127**

There is no guarantee given by the Group for the short and long bank borrowings as of 31 December 2024 and 2023.

According to the borrowing agreement signed by the Group with a financial institution for the loan amounting to TRY36,802,400 equivalent of EUR1,000,000, there are certain conditions that must be met, and as a result of the evaluations made by the Group management, there is no condition that cannot be fulfilled as of 31 December 2024. The maturity of the 1,000,000 Euro portion of the said loan is 17 November 2025.

As of December 31, 2024, the Group should pay TRY53,333,333 million every six months; At the end of the six -month periods, depending on the TRY REF ratio, there is a long -term loan with variable interest rate and the last installment payment of August 2027 (December 31, 2023: TRY102,669,348).

The movement table of borrowings between January 1 - December 31 2024 and 2023 is as follows:

	2024	2023
1 January	**402,273,167**	**528,795,406**
Cash inflows from proceeds from borrowings	470,000,000	188,292,183
Cash outflows from payments of borrowings	(278,657,243)	(106,334,444)
Changes in interest accruals	206,387,891	67,890,762
Interest paid	(195,018,181)	(69,210,244)
Unrealized currency translation difference	4,169,800	23,373,706
Monetary loss / gain	(123,649,684)	(230,534,202)
31 December	**485,505,750**	**402,273,167**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - BORROWINGS AND BORROWING COSTS (Continued)

b) Lease liabilities

	31 December 2024	31 December 2023
Short-term lease liabilities	47,280,386	51,666,776
Long-term lease liabilities	23,116,502	76,515,125
	70,396,888	**128,181,901**

Movement of lease liabilities is between January 1 – December 31 2024 and 2023 is as follows:

	2024	2023
1 January	**128,181,901**	**147,550,549**
Additions	25,874,578	50,838,501
Disposal	-	(18,255,650)
Interest expense	9,785,524	16,350,116
Unrealized currency translation difference	12,934,803	58,578,890
Payments during the period (-)	(66,979,699)	(76,370,643)
Monetary loss/ gain	(39,400,219)	(50,509,862)
31 December	**70,396,888**	**128,181,901**

NOTE 12 - EMPLOYEE BENEFITS

a) Short-term payables regarding employee benefits:

	31 December 2024	31 December 2023
Personnel salaries to be paid	38,173,477	47,790,404
Social security premiums payable	14,147,172	28,613,985
Taxes and funds payable	12,008,023	17,236,805
	64,328,672	**93,641,194**

b) Long-term provisions due to employee benefits:

Provision for employment termination benefits	89,754,820	129,902,403
Seniority premium	7,582,941	10,948,158
Provision for unused vacations	17,756,529	18,791,100
	115,094,290	**159,641,661**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - EMPLOYEE BENEFITS (Continued)

i) Provision for Unused Vacation:

The movements of the provision for unused vacation during the period are as follows:

	2024	2023
1 January	**18,791,100**	**12,358,943**
Additions	4,741,389	14,435,846
Monetary gain	(5,775,960)	(8,003,689)
31 December	**17,756,529**	**18,791,100**

ii) Employment Termination Benefit:

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of December 31 2024 the amount payable consists of one month's salary limited to a maximum of TRY41,828.42 (December 31 2023: TRY23,489.83) for each year of service.

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees with certain actuarial assumptions.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TRY46,655.43 (1 January 2024: TRY35,058.58) which is effective from January 1 2025 has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

The following actuarial assumptions were used in the calculation of the total liability:

	2024	2023
Discount rate (%)	2.94	2.79
Probability of retirement (%)	100	100

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - EMPLOYEE BENEFITS (Continued)

The movements of the provision for employee termination benefit during the periods are as follows:

	2024	**2023**
1 January	**129,902,403**	**162,640,757**
Interest cost	20,969,580	23,106,149
Service cost	13,994,573	59,145,847
Actuarial (gain)/ loss	10,394,281	54,037,100
Actuarial (gain)/ loss	(44,773,016)	(96,470,706)
Translation difference	7,581	68,786
Monetary loss/gain	(40,740,582)	(72,625,530)
31 December	**89,754,820**	**129,902,403**

NOTE 13 - DEFERRED REVENUE

a) Short-term deferred revenue

	31 December 2024	**31 December 2023**
Advances received	2,057,315,425	2,236,470,867
	2,057,315,425	**2,236,470,867**

The advances received include the payments received by the Group from its dealers and customers for the sales to be made in the following periods, and it is anticipated that the advances will be closed within one year (December 31 2023: one year). It is estimated that the carrying value of the advances received approximate to their fair values.

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions:

Other short term provisions as of December 31 2024 and 2023 are as follows:

	31 December 2024	**31 December 2023**
Provision for litigations	22,127,678	13,232,283
Warranty provision	14,795,463	39,071,783
Seniority premium	811,520	-
	37,734,661	**52,304,066**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

b) Guarantees received:

	31 December 2024		31 December 2023	
	TRY Equivalent	Original Amount	TRY Equivalent	Original Amount
Letters of guarantee received				
EUR	23,019,093	625,478	31,232,338	745,155
USD	19,138,668	541,500	5,982,405	151,353
TRY	369,556,209	369,556,209	355,756,811	246,405,207
Guarantee notes received				
EUR	5,316,107	144,450	6,054,460	144,450
TRY	27,145,025	27,145,025	10,758,420	7,451,525
Mortgages received				
EUR	5,323,210	144,643	6,062,550	144,643
TRY	1,178,490,860	1,178,490,860	1,072,023,726	742,507,860
	1,627,989,172		**1,487,870,710**	

Guarantees received consists of letters of guarantee, guarantee notes and real estate mortgages received from customers in terms of credit risk management of receivables arising from trading activities.

c) Guarantees given:

	31 December 2024		31 December 2023	
	TRY Equivalent	Original Amount	TRY Equivalent	Original Amount
TRY	236,518,427	236,518,427	94,104,452	94,104,452
	236,518,427		**94,104,452**	

Guarantees received consists of letters of guarantee, guarantee notes and real estate mortgages received from customers in terms of credit risk management of receivables arising from trading activities.

The Collaterals/Pledges/Mortgages ("CPM") Position of the Company:

	31 December 2024	31 December 2023
A. Total Amount of CPM Given for the Group's Own Legal Personality	236,518,427	94,104,452
B. Total Amount of CPM Given on Behalf of Fully Consolidated Companies	-	-
C. Total Amount of CPM Given for Continuity of Its Economic Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPM	-	-
i. Total Amount of CPM Given on Behalf of the Majority Shareholder	-	-
ii. Total Amount of CPM Given to on Behalf of Other	-	-
iii. Total Amount of CPM Given on Behalf of Third Parties Which are not in Scope of C	-	-
	236,518,427	**94,104,452**

As of December 31 2024 and December 31 2023, the Company and its Subsidiaries have no guarantees, pledges or mortgages received from or given to its related parties. As of December 31 2024, percentage of other guarantees, pledges or mortgages given by the Company and its subsidiaries to the Group's equity is 0% (December 31 2023: 0%).

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

d) Commitments:

The Group has no export commitment as of 31 December 2024 and 2023.

As of December 31, 2024, the total nominal value of term foreign exchange trading and option agreements that have not matched is USD18,000,000 is available for TRY657,928,250 sales, TRY133,829,500 buying and EUR3,500,000 sales contract. (As of December 31, 2023, there is a maturity of in exchange for a sales commitment of USD25,000,000 in exchange for a purchase commitment of TRY1,186,861,359 due to the derivative transactions and TRY242,036,572 in exchange for a sales commitment of 5,000,000 euros). As of December 31, 2024, the reasonable values of these derivative transactions are negative TRY9,809,015 (December 31 2023: negative TRY17,265,450).

NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

As of December 31 2024 and December 31 2023, the Company's paid-in capital and shareholding structure are as follows:

	31 December 2023		31 December 2022	
Shareholder:	**Amount (TRY)**	**Share (%)**	**Amount (TRY)**	**Share (%)**
Deceuninck NV	70,341,402	86.86	71,192,402	87.91
Publicly traded	10,639,392	13.14	9,788,392	12.09
Paid in share capital	**80,980,794**	**100**	**80,980,794**	**100**
Adjustments to share capital	1,516,596,594		1,516,596,594	
Total equity	**1,597,577,388**		**1,597,577,388**	

The upper limit of registered share capital of the Group as of December 31 2024 and December 31 2023 is TRY120,000,000. As of December 31 2024 and December 31 2023, the historic value of the Group's paid-in capital is TRY80,980,794 and the capital of the Group consists of 80,980,794 shares and the nominal value of the shares is equal to TRY per share.

a) Restricted Reserves

Restricted reserves comprise of general legal reserves and general legal reserves consist of first and second legal reserves, calculated in accordance with the Turkish Commercial Code (TCC) as below:

- The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital.
- The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group's share capital.

NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

- *Revaluation of Property, Plant and Equipment*

The Group has adopted revaluation model for land, land improvements and buildings and applied in accordance with TAS 16.

The amount of fund that correspond to depreciation of current period of the amount of the tangible assets that has been recognized in revaluation fund is annually transferred to retained earnings in accordance with their economic useful lives. At the disposal of revalued land or building, the amount that had been previously recognized in revaluation fund is directly recognized in retained earnings.

- *Actuarial Losses Arising from Defined Benefit Plans*

The amendment in TAS 19, 'Employee Benefits' does not permit the actuarial gain/loss considered in the calculation of provision for employee termination benefits to be accounted in the statement of profit or loss. The gain and loss arising from the changes in the actuarial assumption are accounted for by "Funds for actuarial gain/loss on employee termination benefits" under the equity accounts. The funds for actuarial gain/(loss) arising from employee termination benefits is other comprehensive income/(loss) not to be reclassified under profit or loss in subsequent periods.

b) Other Comprehensive Income/Expenses to be Reclassified to Profit or Loss

- *Foreign Currency Translation Differences*

It arises from exchange differences arising from the translation of consolidated financial statements of foreign subsidiaries of the Group to reporting currency of TRY and accounted for under equity.

c) Repurchased shares

It consists of shares repurchased by the Group within the scope of liquidity provider transactions carried out within the framework of CMB legislation. The repurchased shares of the Company are traded at Borsa Istanbul at market prices on the date of the transaction; It is accounted for in the "Repurchased shares" accounts, including the parts of the repurchased shares that exceed their nominal value.

Retained Earnings:

- *Dividends Distribution*

Dividends are distributed according to Communiqué Serial: II-19.1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law".

Principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB it is stipulated that companies which have the obligation to prepare consolidated financial statements. Calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated statutory books. In publicly held companies, dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

In accordance with the decision taken at the Ordinary General Assembly meeting of the Company on March 21 and May 17 2024, it was decided to distribute TRY1,816,866,851 from the distributed net profit of 2023 as dividends and and after deducting TRY489,914,680 distributed as advance dividend in 2024, the remaining amount was paid in full during the period.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 16 - REVENUE AND COST OF SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	9,251,430,831	11,310,662,486
Export sales	1,381,736,101	2,146,993,308
Net sales	**10,633,166,932**	**13,457,655,794**
Cost of sales	(7,047,620,849)	(8,354,561,514)
Gross profit	**3,585,546,083**	**5,103,094,280**

NOTE 17 - EXPENSES BY NATURE

	1 January- 31 December 2024	1 January - 31 December 2023
Raw materials and supplies	5,574,456,544	6,633,063,902
Personnel expenses	1,674,148,782	1,515,905,036
Depreciation and amortization expenses	475,034,526	380,728,409
Customs clearance and shipping costs	313,039,631	328,531,923
Consultancy expenses	376,576,967	476,324,644
Other	426,472,012	1,015,135,311
	8,839,728,462	**10,349,689,225**

NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

i) General administrative expenses:

	1 January- 31 December 2024	1 January- 31 December 2023
Consultancy expenses	326,564,932	426,108,556
Personnel expenses	209,595,636	210,749,944
Depreciation and amortization	43,152,666	34,585,793
Energy expenses	4,248,659	13,576,895
Other	19,641,266	21,751,706
	603,203,159	**706,772,894**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES (Continued)

ii) Marketing expenses:

	1 January - 31 December 2024	1 January- 31 December 2023
Personnel expenses	547,316,617	525,968,831
Customs clearance and shipping costs	296,235,272	288,445,708
Dealer incentive, fair and meeting expenses	113,175,837	152,965,373
Depreciation and amortization	104,186,463	83,502,870
Advertising expenses	89,103,227	112,198,766
Other	9,243,259	104,547,802
	1,159,260,675	**1,267,629,350**

NOTE 19 - OTHER INCOME/ EXPENSES FROM OPERATING ACTIVITIES

i) Other operating income:

	1 January - 31 December 2024	1 January- 31 December 2023
Foreign exchange gain	278,789,230	363,898,631
Interest income	65,734,577	108,206,202
Scrap sales income	6,807,462	9,137,958
Other	40,183,475	35,727,572
	391,514,744	**516,970,363**

ii) Other operating expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gain	374,695,652	657,362,960
Provision for doubtful receivables	19,066,894	96,279,285
Due date difference	342,447	347,540
Other	54,310,503	64,554,846
	448,415,496	**818,544,631**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - INCOME FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	131,431,737	134,296,530
Gain on sale of property, plant and equipment, net	28,194,199	47,870,708
Reversal of impairment of property, plant and equipment	-	59,628,244
Other	4,783,053	3,544,379
	164,408,989	**245,339,861**

NOTE 21 - FINANCIAL INCOME/EXPENSES

i) Finance income

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gain	64,116,570	260,220,687
Income from derivative transactions	5,715,908	159,330,104
	69,832,478	**419,550,791**

ii) Finance expense

Interest expense	216,173,414	60,819,273
Expense from derivative transactions	115,698,221	43,282,525
Foreign exchange loss	38,632,728	68,364,485
Bank and commission expenses	26,194,084	42,786,022
Termination benefits interest cost	20,969,580	23,106,149
Other	45,523,182	46,603,357
	463,191,209	**284,961,811**

NOTE 22 - NON-CURRENT ASSETS HELD FOR SALE

Assets classified for sale as of 31 December 2024 and 2023 are as follows:

	2024	2023
Opening balance	**392,335,018**	**404,150,797**
Additions during the semester	24,017,292	10,252,218
Disposal during the period (-)	(12,320,735)	(22,067,997)
Closing balance	**404,031,575**	**392,335,018**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

a) Corporate tax

The Group is subject to corporate income tax in Turkey. Provisions for estimated tax liabilities related to the Group's current period operating results have been duly recognized in the accompanying financial statements.

Turkish tax legislation does not permit the parent company to file corporate tax returns based on consolidated financial statements that include its subsidiaries. Therefore, corporate income tax liabilities reflected in these consolidated financial statements have been calculated separately for each entity within the scope of consolidation.

The corporate income tax rate applied on the taxable corporate income is calculated by adding non-deductible expenses to commercial income and deducting tax-exempt earnings, non-taxable income, other deductions, prior year losses, and investment incentives where applicable.

In Turkey, the corporate income tax rate is 25% as of December 31, 2024 (December 31, 2023: 25%).

There is no definitive agreement procedure regarding tax assessments in Turkey. Companies prepare their tax returns between April 1 and April 25 of the year following the fiscal year-end (or within the first 25 days of the fourth month following the period-end for entities with a special accounting period). These returns and the underlying accounting records may be reviewed by the Tax Office within five years, during which corporate tax payable may be reassessed.

Losses may be carried forward for a maximum of five years to be offset against future taxable profits; however, losses cannot be applied retroactively to prior years' profits.

Turkey enacted the Domestic Minimum Corporate Tax through Law No. 7524, published in the Official Gazette dated August 2, 2024. This tax will be applicable starting from the 2025 fiscal year. Under this law, the corporate income tax calculated shall not be less than 10% of the corporate income before the application of deductions and exemptions. The relevant provisions entered into force upon publication, and a Corporate Tax General Communiqué No. 23 was also issued regarding the implementation. Since this regulation will be effective from 2025 onwards, it will not affect the current period tax expense in the financial statements as of December 31, 2024.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation. In the financial statements of December 31 2024 and 2023, the tax amounts to be paid are netted for each Subsidiary and are classified separately in the consolidated financial statements.

	31 December 2024	**31 December 2023**
Current corporate tax expense	265,199,152	589,552,212
Prepaid taxes during the period (-)	(323,875,179)	(555,359,818)
Monetary loss/gain	128,790,084	(71,314,132)
Corporate taxes (liabilities)/assets	**70,114,057**	**(37,121,738)**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Tax expenses included in the consolidated income statements for the years ended December 31 2024 and 2023 are summarized below:

	1 January- 31 December 2024	**1 January- 31 December 2023**
Current corporate tax expense	265,199,152	555,355,092
Deferred tax income/(loss)	90,291,246	301,008,063
Total tax loss	**355,490,398**	**856,363,155**

Reconciliation of tax expense is as follows:

	1 January- 31 December 2024	**1 January- 31 December 2023**
Profit before tax	**1,240,628,151**	**1,584,252,978**
Tax expense calculated using the current tax rate	(310,157,038)	(396,063,245)
Investment incentive exception effect under article	51,764,137	50,009,035
Additional tax (*)	-	(31,232,931)
Disallowable expenses	(56,247,395)	(49,440,673)
Inflation effect in accordance with TPL (**)	-	94,164,902
Effect of monetary loss and gain	(94,448,271)	(520,763,161)
Deductions and exemptions	48,029,379	43,157,893
Other	5,568,790	(46,194,975)
Total tax expense	**(355,490,398)**	**(856,363,155)**

(*) It is the amount related to the additional tax calculated due to earthquake within the scope of Law No. 7440.

(**) It consists of the deferred tax effect of temporary differences created by in its first application the adjustments made regarding inflation accounting, together with the Communiqué No. 32415 (2nd Duplicate) of the Tax Procedure Law dated December 30 2023.

A significant part of the disallowable expense, with the communiqué published in the Official Gazette dated May 25 2021 by the Revenue Administration, the interest, commission, due date difference, foreign exchange difference and exchange rate related to foreign resources, exclusively for the portion of the Company's foreign resources used exceeding its own resources, it consists of accepting the sum of expenses and costs made under similar names as disallowable expense.

a) Deferred taxes

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of the different evaluations of balance sheet items between CMB Financial Reporting Standards and Tax Procedure Law.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The effects of deferred tax assets and liabilities as of December 31 2024 and December 31 2023 are summarized below, using the applicable tax rates as of the balance sheet date:

	Cumulative Temporary Differences		**Deferred Income Tax Asset/(Liability)**	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Adjustment related to property, plant and equipment and intangible assets	(3,539,613,887)	(2,740,635,480)	(774,395,065)	(790,712,001)
Adjustments related to leasing transactions	70,324,416	45,964,335	17,581,104	11,491,084
Provisions for employment termination benefits	90,189,362	129,902,609	22,547,340	32,116,981
Warranty provision	14,795,463	39,071,845	3,698,866	9,767,961
Provision for litigation	22,127,678	13,120,807	5,531,919	3,280,201
Provisions for unused vacation	17,756,529	18,791,129	4,439,132	4,697,782
Other temporary differences	245,231,389	332,878,551	61,307,846	83,220,662
Deferred tax assets/ (liabilities), net			**(781,904,550)**	**(646,137,330)**

Deferred tax assets and liabilities recognized in statement of financial position is as follows:

	2024	**2023**
1 January	**(646,142,828)**	**(601,619,638)**
Recognized in statement of profit or loss	(90,291,246)	(301,008,063)
Recognized in other comprehensive income/(expenses)	(45,470,476)	262,602,900
Foreign currency translation	-	(6,118,029)
31 December	**(781,904,550)**	**(646,142,830)**

Within the scope of the Law No. 7456, which entered into force after being published in the Official Gazette dated July 15, 2023, "On the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes That Occurred on 6/2/2023, and on Amending Certain Laws and the Decree Law No. 375". The corporate tax rate has been increased to 25% for provisional returns to be submitted after October 2023. It will be applied as 25% starting from 2024.

Within the scope of the Law on the Collection of Public Receivables No. 7316 dated April 22, 2021, and the Amendment of some Laws, the tax assets and obligations postponed in the financial statements dated December 31 2023 for the period and 23 %for the tax impact of the temporary differences in 2023 period and 20 %for the period of 2023 The ratio was calculated and the postponed tax assets and obligations in the financial statements dated December 31 2024 were calculated by 25 %.

While the corporate tax exemption for gains from the sale of immovable properties acquired after July 15, 2023 and held in the assets of corporate taxpayers for at least 2 years has been completely abolished, the corporate tax exemption on the sales gains of immovable properties acquired before this date has been reduced from 50% to 25%. . The regulation entered into force as of July 15, 2023.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 23 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

A general tax audit for the 2020 fiscal period was initiated by the tax offices affiliated with the Ministry of Finance on March 7, 2022. A report was received from tax inspectors on October 24, 2022. The relevant report is against the Company and the total amount is TRY6,416,748. The company concluded the matter by paying TRY1,628,732 for the relevant tax audit on July 31, 2023.

The tax audit conducted by the Tax Inspection Board of the Ministry of Treasury and Finance of the Republic of Turkey for the 2020, 2021 and 2022 fiscal years has been concluded. A tax penalty was notified by the Presidency. The company applied for tax amnesty for the penalties for the 2020 and 2021 periods and made a payment of TRY3,504,783. The company has applied for reconciliation for the 2022 period and the result is awaited.

Two new tax inspections were initiated in 2023 by the Tax Inspection Board of the Ministry of Treasury and Finance of the Republic of Turkey. The review periods are the 2020 and 2019 accounting years, and the scope of the review is reported as general corporate tax withholding. The Company applied for reconciliation and on February 2, 2024, a penalty of TRY2,956,460 was agreed between the Tax Office and the Company. A total payment of TRY5,293,212 for penalties and interest was made on February 3, 2024.

NOTE 24 - EARNINGS PER SHARE

The calculation of earnings per share is based on net profit attributable to equity holders of the parent divided by weighted average number of ordinary shares outstanding during the period.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

	1 January - 31 December 2024	**1 January - 31 December 2023**
Net profit for the period from continuing operations	885,137,752	727,889,822
Weighted average number of common shares	80,980,794	80,980,794
Continuing operations earnings per share (TRY)	**10,9302**	**8,9884**

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. These risks are price risk, currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability and volatility of financial markets and aims to minimize potential adverse effects on the Group's financial performance.

Some of the major financial instruments of the Group are bank loans, cash, short and long term bank deposits. The main purpose in using these tools is to create financing for the operations of the Group. The Group also has financial instruments such as trade receivables and trade payables that arise directly from operations.

Group management manages these risks as stated below. The Group also monitors the market risk that may arise from the use of financial instruments.

i. Currency Risk

Price risk is a combination of foreign currency, interest and market risk and is naturally managed by the Group through the matching of debts and receivables in the same currency, assets and liabilities bearing interest. Market risk is closely monitored by the Group through the review of market information and appropriate valuation methods.

ii. Interest rate risk

The Group does not have any significant interest sensitive assets. Cash flows from the Group's income and operations are largely independent of changes in market interest rates.

Since the Group does not have assets and liabilities with variable interest rates as of December 31 2024 and 2023, the Group is not exposed to interest rate risk.

The interest rate risk of the Group arises from short and long term borrowing. Credits to be obtained in the future for the continuation of the operations of the Group are affected by the interest rates to be realized in the upcoming period.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In order to maintain liquidity, the Company management closely monitors the collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Company.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

The Company's liquidity analysis in respect of categories of financial liabilities as of December 31 2024 and 2023 are as follows:

31 December 20234

Contractual maturity dates:	Carrying value	Total Cash Outflows Per Agreement	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years
Non-derivative financial liabilities:						
Bank borrowings	485,505,750	515,240,547	121,236,741	301,440,727	92,563,079	-
Lease liabilities	70,396,888	157,985,715	11,020,024	33,060,069	90,112,011	23,793,611
Trade payables	2,085,345,956	2,085,345,956	414,413,147	1,670,932,809	-	-
	2,641,248,594	**2,758,572,218**	**546,669,912**	**2,005,433,605**	**182,675,090**	**23,793,611**

31 December 2023:

Contractual maturity dates:	Carrying value	Total Cash Outflows Per Agreement	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years
Non-derivative financial liabilities						
Bank borrowings	402,273,167	432,569,196	64,781,330	161,071,066	206,716,800	-
Lease liabilities	128,181,901	228,097,834	15,910,575	47,731,721	130,102,614	34,352,924
Trade payables	2,842,335,443	2,842,335,443	429,863,183	2,412,472,260	-	-
	3,372,790,511	**3,503,002,473**	**510,555,088**	**2,621,275,047**	**336,819,414**	**34,352,924**

iv. Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risk arises from cash and cash equivalents, deposits in banks, trade receivables from related parties and other trade receivables, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group has established an effective control system over its dealer network and risks arising from transactions with dealers are followed by obtaining sufficient amounts of guarantees from the dealers (excluding related parties) for dealing with credit risk. The Group manages this risk from dealers and direct customers by limiting the credit lines according to the amount of the guarantees received and updating these guarantees frequently. The credit quality of each customer is re-evaluated frequently on the basis of the financial position of the customer, past experiences and other factors.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

Trade receivables are evaluated by Group management on the basis of past experiences and current economic conditions.

The Group tries to manage credit risk by spreading its sales activities over a wide area, avoiding undesirable concentrations on individuals or groups in a certain sector or region. The Group also receives collateral from its customers when it deems necessary.

Information on overdue and collateral structure of receivables and cash and cash equivalents are as follows:

31 December 2024	Trade receivables (Note 5)	Trade receivables from related parties (Note 3)	Cheques in collection (Note 4)	Cash on deposit (Note 4)
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)(1)	**3,889,020,977**	**294,095,485**	**43,456,894**	**528,459,909**
The part of maximum credit risk covered with guarantees et	627,078,948	-	43,456,894	-
A. Net book value of financial assets not due or not impaired	**3,801,516,009**	**144,012,424**	**43,456,894**	**528,459,909**
- The part covered by guarantees etc.	-	-	43,456,894	-
B Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired	-	-	-	-
- The part covered by guarantees etc.	-	-	-	-
C. Net book value of assets past due but not impaired	**87,504,968**	**150,083,061**	-	-
- The part covered by guarantees etc.	-	-	-	-
D. Net book value of assets impaired				
Past due (gross book value)	157,726,631	-	-	-
Impairment (-)	(157,726,631)	-	-	-
The part of net value covered with guarantees etc.				
Not due (gross book value)	-	-	-	-
Impairment (-)	-	-	-	-
The part of net value covered with guarantees etc	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Trade receivables (Note 5)	Trade receivables from related parties' (Note 3)	Cheques in collection (Note 4)	Cash on deposit (Note 4)
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)(1)	**3,610,060,895**	**497,000,309**	**182,580,605**	**977,964,423**
The part of maximum credit risk covered with guarantees et	892,336,797	-	182,580,605	-
A. Net book value of financial assets not due or not impaired	**3,492,784,584**	**217,637,621**	**182,580,605**	**977,964,423**
- The part covered by guarantees etc.	892,336,797	-	182,580,605	-
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired	**-**	**-**	**-**	**-**
- The part covered by guarantees etc.	-	-	-	-
C. Net book value of assets past due but not impaired	**117,276,311**	**279,362,688**	**-**	**-**
- The part covered by guarantees etc.	-	-	-	-
D. Net book value of assets impaired	**-**	**-**	**-**	**-**
Past due (gross book value)	195,942,674	-	-	-
Impairment (-)	(195,942,674)	-	-	-
The part of net value covered with guarantees etc.	-	-	-	-
Not due (gross book value)	-			
Impairment (-)	-	-	-	-
The part of net value covered with guarantees etc	-	-	-	-
E. Off-balance items exposed to credit risk	**-**	**-**	**-**	**-**

1) In determining the amount, guarantees received and factors that increase credit reliability are not taken into account.

v. Foreign Currency Risk

The Group's foreign currencies primarily EUR, USD and AUD denominated assets and liabilities are exposed to exchange rate risk as a result of exchange rate fluctuations.

The Company and its Subsidiaries are also exposed to foreign exchange risk due to the transactions made. This foreign exchange risk arises from sales and purchases of goods and receiving bank loans denominated in currencies other than the Group's functional currency.

The Group monitors its foreign exchange risk by maintaining the balance between its foreign currency assets and liabilities and changing its pricing policy in line with the currency fluctuations, and also by analyzing its foreign currency position. As of December 31 2024, and December 31 2023, the Group's net foreign currency position is as follows:

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

On a total basis;

	31 December 2024 (TRY Amount)	31 December 2023 (TRY Amount)
A. Assets denominated in foreign currency	599,940,515	1,637,787,556
B. Liabilities denominated in foreign currency	(1,247,319,597)	(1,729,635,394)
Net foreign currency position (A+B)	**(647,379,082)**	**(91,847,838)**

The foreign currency position of the Group as of 31 December 2024 is as follows:

	TRY Equivalent	USD	EUR	AUD
1. Trade receivables	547,274,327	4,953,022	9,785,211	596,920
2a. Monetary financial assets (cash, bank accounts included)	52,666,189	931,894	538,670	-
2b. Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	**599,940,515**	**5,884,916**	**10,323,881**	**596,920**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total assets (4+8)	**599,940,515**	**5,884,916**	**10,323,881**	**596,920**
10. Trade payables	1,210,517,198	34,249,775	-	-
11. Financial liabilities	36,802,400	-	1,000,000	-
12a. Monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Short-term liabilities (10+11+12)	**1,247,319,598**	**34,249,775**	**1,000,000**	**-**
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	**-**	**-**	**-**	**-**
18. Total liabilities (13+17)	**1,247,319,598**	**34,249,775**	**1,000,000**	**-**
19. Net asset/(liability) position of / off - balance sheet derivative instruments (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	**(647,379,082)**	**(28,364,859)**	**9,323,881**	**596,920**
21. Net foreign currency asset/ (liability)position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	**(647,379,082)**	**(28,364,859)**	**9,323,881**	**596,920**
22.Fair value of derivative instruments used in foreign currency hedge				
23. Export (*)	1,093,327,894	9,525,766	19,189,410	2,245,248
24. Import (*)	3,104,024,649	60,840,899	25,803,599	-

(*) Average rate of exchange is used.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

The foreign currency position of the Group as of 31 December 2023 is as follows:

	TRY Equivalent	USD	EUR	AUD
1. Trade receivables	1,015,410,355	7,531,692	14,417,621	596,293
2a. Monetary financial assets (cash, bank accounts included)	617,302,056	14,474,257	44,861	-
2b. Non-monetary financial assets	-	-	-	-
3. Other	5,075,145	51,061	61,768	-
4. Current assets (1+2+3)	**1,637,787,556**	**22,057,010**	**14,524,250**	**596,293**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total assets (4+8)	**1,637,787,556**	**22,057,010**	**14,524,250**	**596,293**
10. Trade payables	1,682,476,339	29,377,055	9,161,195	-
11. Financial liabilities	44,508	-	945	-
12a. Monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Short-term liabilities (10+11+12)	**1,682,520,847**	**29,377,055**	**9,162,140**	**-**
14. Trade payables	-	-	-	-
15. Financial liabilities	47,114,547	-	1,000,000	-
16a. Other monetary liabilities	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-
17. Long-term liabilities (14+15+16)	**47,114,547**	**-**	**1,000,000**	**-**
18. Total liabilities (13+17)	**1,729,635,394**	**29,377,055**	**10,162,140**	**-**
19. Net asset/(liability) position of / off - balance sheet derivative instruments (19a-19b)	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	**(91,847,838)**	**(7,320,045)**	**4,362,110**	**596,293**
21. Net foreign currency asset/ (liability)position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	**(96,922,982)**	**(7,371,106)**	**4,300,342**	**596,293**
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23. Export (*)	1,372,294,572	9,352,282	26,980,214	2,256,370
24. Import (*)	2,554,495,843	51,896,713	20,902,185	-

(*) Average rate of exchange is used.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

The Company and its Subsidiaries are exposed to foreign currency risk due to exchange rate fluctuations while translating to Turkish Lira the foreign currency payables and receivables arising from trade operations with foreign entities. Such risks are monitored and controlled by regular analysis of the foreign currency position. The Company and its Subsidiaries follow a policy of diversifying their foreign currency position in order to manage foreign currency risk that may arise from future trade operations and the related assets and liabilities recognized.

As of December 31 2024 and December 31 2023 the Group's profit before tax and shareholders' equity as presented by the amounts below in case of a consequently 10% increase or decrease in the foreign exchange rates (especially USD, EUR and AUD), with all other variables held constant:

31 December 2024

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	**Foreign Currency Depreciation**	**Foreign Currency Appreciation**	**Foreign Currency Depreciation**
Change of USD Against TRY by 10%:				
1- USD net assets/liabilities	(100,289,560)	100,289,560	(100,289,560)	100,289,560
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	**(100,289,560)**	**100,289,560**	**(100,289,560)**	**100,289,560**
Change of EUR Against TRY by 10%:				
4- EUR net assets/liabilities	34,245,776	(34,245,776)	34,245,776	(34,245,776)
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	**34,245,776**	**(34,245,776)**	**34,245,776**	**(34,245,776)**
Change of AUD Average Against TRY by 10%:				
7- AUD net assets/liabilities	1,305,876	(1,305,876)	1,305,876	(1,305,876)
8- AUD hedged from risks (-)	-	-	-	-
9- AUD net effect (7+8)	**1,305,876**	**(1,305,876)**	**1,305,876**	**(1,305,876)**
Total (3+6+9))	**(64,737,908)**	**64,737,908**	**(64,737,908)**	**64,737,908**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
Change of USD Against TRY by 10%:				
1- USD net assets/liabilities	31,337,249	(31,337,249)	31,337,249	(31,337,249)
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	**31,337,249**	**(31,337,249)**	**31,337,249**	**(31,337,249)**
Change of EUR Against TRY by 10%:				
4- EUR net assets/liabilities	20,428,789	(20,428,789)	20,428,789	(20,428,789)
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	**20,428,789**	**(20,428,789)**	**20,428,789**	**(20,428,789)**
Change of AUD Average Against TRY by 10%:				
7- AUD net assets/liabilities	1,723,675	(1,723,675)	1,723,675	(1,723,675)
8- AUD hedged from risks (-)	-	-	-	-
9- AUD net effect (7+8)	**1,723,675**	**(1,723,675)**	**1,723,675**	**(1,723,675)**
Total (3+6+9)	**51,766,038**	**(51,766,038)**	**51,766,038**	**(51,766,038)**

vi) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including short-term financial liabilities, current portion of long-term financial liabilities, long-term financial liabilities, less cash and cash equivalents).

	31 December 2024	31 December 2023
Total financial debt	5,786,940,247	6,741,420,791
Less: Cash and cash equivalents (Note 4)	(571,916,803)	(1,160,545,027)
Net liabilities (A)	5,195,415,988	5,580,875,766
Total equity (B)	6,265,318,912	6,554,264,136
Total invested capital (A+B)	11,480,509,699	12,135,139,902
Net liabilities/ total invested capital ratio	**%45**	**%45**

NOTE 26 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group can realize in a current market exchange.

The methods and assumptions stated below are used in the estimation of the fair values of the financial instruments of which fair values are measurable.

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate to their carrying values. Cash and cash equivalents are carried at their fair values. The fair values of trade receivables and due from related parties are considered to approximate their respective carrying values due to their short-term nature. The cost of financial assets available for sale investments less, if any, impairments are considered to approximate their fair values.

Financial liabilities

Monetary liabilities with a fair value close to their carrying value:

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts, they are considered to approximate to their fair values, and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

Fair value hierarchy table

The Group's financials classification of fair value of asset and liabilities were as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 26 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES) (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31 2024 and 2023:

31 December 2024	Level 1	Level 2 (*)	Level 3
Derivative financial liabilities	-	9,809,015	-

31 December 2023	Level 1	Level 2 (*)	Level 3
Derivative financial liabilities	-	4,129,521	-

(*) The fair value is calculated by reference to the original maturity rate, the market interest rates valid for the remainder of the contract for the relevant currency.

The following table presents the Group's non-financial assets that are measured at fair value at December 31 2024 and 2023:

31 December 2024

	Level 1	Level 2	Level 3	Total
Property plant and equipment:				
Land	-	1,437,430,000	-	1,437,430,000
Buildings, land and land improvements	-	2,764,780,000	-	2,764,780,000
Total assets	**-**	**4,202,210,000**	**-**	**4,202,210,000**

31 December 2023

	Level 1	Level 2	Level 3	Total
Property plant and equipment:				
Land	-	1,321,842,214	-	1,321,842,214
Buildings, land and land improvements	-	2,706,619,670	-	2,706,619,670
Total assets	**-**	**4,028,427,604**	**-**	**4,028,427,604**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 27 - EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES)

Financial position items	**31 December 2024**
Inventories	23,015,379
Prepaid expenses	21,980,703
Tangible and intangible assets	193,297,742
Right of use assets	57,309,338
Non-current assets classified as held for sale	44,220,990
Deferred income	(67,564,568)
Paid-in capital	(491,059,184)
Restricted reserves	
Other Comprehensive Income/Expenses not to Be Reclassified to Profit or Loss	(41,732,297)
Retained earnings	662,849,771
Profit or loss statement items	(609,136,549)
Revenue	(1,785,284,614)
Cost of sales (-)	1,405,946,366
General administrative expenses (-)	63,443,107
Marketing expenses (-)	161,193,215
Research and development expenses (-)	3,857,963
Other income from operating activities	(68,943,932)
Other expenses from operating activities (-)	72,466,630
Income from investing activities	(23,112,087)
Financial income	(23,591,259)
Financial expenses (-)	72,300,785
Tax expense/income for the period	68,678,589
Net monetary position gains/(losses)	**(259,863,912)**

NOTE 28 - FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR/INDEPENDENT AUDIT AGENCY

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POAASA dated August 19 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30 2021, are as follows:

Independent audit fee for the reporting period	3,219,091	5,055,703
	3,219,091	**5,055,703**

NOTE 29- EVENTS AFTER THE REPORTING PERIOD

The Capital Markets Board of Turkey (CMB) has approved the Company's application for a bonus share capital increase at a rate of 572.99%, to be funded through the capitalization of internal resources. As a result of the bonus issue, the Company's issued capital has been increased from TRY 80,980,793.82 to TRY 545,000,000. The approval was published in the CMB Bulletin dated January 9, 2025, numbered 2025/2.

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