

**SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD  
1 JANUARY - 31 MARCH 2024**

**(ORIGINALLY ISSUED IN TURKISH)**

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

**SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

<b>CONTENTS</b>	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....	1-2
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS.....	3
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME.....	4
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.....	5
CONSOLIDATED STATEMENTS OF CASH FLOWS.....	6
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	
NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS .....	7
NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS.....	8
NOTE 3 – BUSINESS COMBINATIONS .....	22
NOTE 4 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES.....	22
NOTE 5 – OPERATING SEGMENTS .....	22
NOTE 6 – CASH AND CASH EQUIVALENTS .....	22
NOTE 7 – FINANCIAL INVESTMENTS .....	23
NOTE 8 - FINANCIAL LIABILITIES .....	23
NOTE 9 – OTHER FINANCIAL LIABILITIES .....	24
NOTE 10 - TRADE RECEIVABLES AND PAYABLES .....	25
NOTE 11 – OTHER RECEIVABLES AND PAYABLES .....	26
NOTE 12 – DERIVATIVE INSTRUMENTS .....	26
NOTE 13 – INVENTORIES .....	27
NOTE 14 - PREPAID EXPENSES AND DEFERRED INCOME.....	27
NOTE 15 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD .....	28
NOTE 16 – INVESTMENT PROPERTIES .....	28
NOTE 17 – PROPERTY, PLANT AND EQUIPMENT .....	28
NOTE 18 – RIGHT OF USE ASSETS .....	29
NOTE 19 – INTANGIBLE ASSETS.....	29
NOTE 20 – EMPLOYEE BENEFITS .....	30
NOTE 21 – SHORT-TERM PROVISIONS .....	30
NOTE 22 – COMMITMENTS.....	32
NOTE 23 – LONG-TERM PROVISIONS .....	32
NOTE 24 – TAX ASSETS AND LIABILITIES .....	33
NOTE 25 – OTHER ASSETS AND LIABILITIES .....	33
NOTE 26 – EQUITY .....	34
NOTE 27 – REVENUE AND COST OF SALES.....	36
NOTE 28 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING SALES AND DISTRIBUTION EXPENSES.....	36
NOTE 29 – EXPENSES BY NATURE.....	37
NOTE 30 – OTHER OPERATING INCOME/(EXPENSES).....	38
NOTE 31 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES .....	38
NOTE 32 – FINANCIAL INCOME/(EXPENSES).....	39
NOTE 33 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	39
NOTE 34 – INCOME TAXES .....	39
NOTE 35 - EARNINGS PER SHARE .....	41
NOTE 36 - RELATED PARTY DISCLOSURES .....	41
NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS .....	43
NOTE 38 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING).....	50
NOTE 39 – EVENTS AFTER THE REPORTING PERIOD.....	51
NOTE 40 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE .....	51

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

SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.  
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS  
AS OF 31 MARCH 2024 AND 31 DECEMBER 2023  
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

ASSETS	Notes	Unaudited	Audited
		Current Period 31.03.2024	Prior Period 31.12.2023
<b>Current Assets</b>			
Cash and Cash Equivalents	6	101.043.011	211.678.411
Financial Investments	7	21.723.224	-
Trade Receivables	10	42.645.207	49.110.973
<i>Related Parties</i>	10-36	3.072.819	5.646.957
<i>Third Parties</i>	10	39.572.388	43.464.016
Other Receivables	11	16.046	437.065
<i>Third Parties</i>	11	16.046	437.065
Inventories	13	812.637.520	573.226.189
Prepaid Expenses	14	49.165.884	73.890.876
<i>Third Parties</i>	14	49.165.884	73.890.876
Other Current Assets	25	37.322.293	16.897.387
<b>Total Current Assets</b>		<b>1.064.553.185</b>	<b>925.240.901</b>
<b>Non-Current Assets</b>			
Other Receivables	11	5.090.690	5.273.269
<i>Third Parties</i>	11	5.090.690	5.273.269
Property, Plant and Equipment	17	234.402.128	231.548.406
Right of Use Assets	18	547.793.643	491.154.187
Intangible Assets	19	27.882.661	32.062.558
<i>Other Intangible Assets</i>	19	27.882.661	32.062.558
<b>Total Non-Current Assets</b>		<b>815.169.122</b>	<b>760.038.420</b>
<b>TOTAL ASSETS</b>		<b>1.879.722.307</b>	<b>1.685.279.321</b>

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

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

SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.  
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS  
AS OF 31 MARCH 2024 AND 31 DECEMBER 2023

(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

LIABILITIES	Notes	Unaudited Current	Audited Prior
		Period 31.03.2024	Period 31.12.2023
<b>Current Liabilities</b>			
Short-Term Borrowings	8	155.058.312	36.078.062
Lease Liabilities	8	145.002.886	149.592.743
Short-Term Portion of Long-Term Borrowings	8	14.473.738	24.062.388
Trade Payables	10	200.153.383	152.857.789
<i>Related Parties</i>	10-36	132.732.702	84.904.657
<i>Third Parties</i>	10	67.420.681	67.953.132
Employee Benefits	20	54.805.114	51.507.869
Other Payables	11	1.879.911	940.113
<i>Third Parties</i>	11	1.879.911	940.113
Deferred Income	14	8.774.969	10.448.981
Current Income Tax Liabilities	34	2.080.760	23.993.165
Short-Term Provisions	21	9.306.640	8.002.861
<i>Short-Term Provisions for Employee Benefits</i>	21	6.188.845	3.963.241
<i>Other Short-Term Provisions</i>	21	3.117.795	4.039.620
Other Current Liabilities	25	31.055.807	17.275.318
<b>Total Current Liabilities</b>		<b>622.591.520</b>	<b>474.759.289</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	8	4.291.690	11.510.089
Lease Liabilities	8	213.975.392	179.082.970
Other Payables	11	3.574.452	3.805.084
<i>Third Parties</i>	11	3.574.452	3.805.084
Deferred Income	14	8.326.929	7.844.946
Long-Term Provisions	23	6.497.325	4.872.246
<i>Long-Term Provisions for Employee Benefits</i>	23	6.497.325	4.872.246
Deferred Tax Liabilities	34	58.498.046	49.506.405
<b>Total Non-Current Liabilities</b>		<b>295.163.834</b>	<b>256.621.740</b>
<b>EQUITY</b>			
<b>Equity Holders of the Parent</b>	<b>26</b>	<b>961.966.953</b>	<b>953.898.292</b>
Paid-in Share Capital		224.000.000	224.000.000
Adjustment to Share Capital		214.048.236	214.048.236
Treasury Shares (-)		(13.449.796)	(6.322.067)
Share Premium		111.841.215	111.841.215
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss		(3.557.975)	(3.317.733)
- <i>Gains/(losses) on remeasurements of defined benefit plans</i>		(3.557.975)	(3.317.733)
Currency Translation Differences		(10.283.064)	(8.986.815)
Restricted Reserves		38.190.789	31.063.060
Retained Earnings		384.444.667	171.152.552
Profit for the Period		16.732.881	220.419.844
<b>TOTAL LIABILITIES</b>		<b>961.966.953</b>	<b>953.898.292</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1.879.722.307</b>	<b>1.685.279.321</b>

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

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

SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.  
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024 AND 2023  
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Unaudited Current Period 1 January-31 March 2024	Unaudited Prior Period 1 January -31 March 2023
Revenue	27	617.768.399	509.818.917
Cost of Sales (-)	27	(293.546.156)	(287.278.786)
<b>GROSS PROFIT</b>		<b>324.222.243</b>	<b>222.540.131</b>
General Administrative Expenses (-)	28-29	(32.317.617)	(20.217.162)
Marketing, Sales and Distribution Expenses (-)	28-29	(289.531.115)	(233.059.656)
Other Operating Income	30	35.231.667	23.208.339
Other Operating Expenses (-)	30	(25.127.833)	(30.277.480)
<b>OPERATING PROFIT</b>		<b>12.477.345</b>	<b>(37.805.828)</b>
Gains from investment activities	31	2.400.350	3.742.683
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/</b>		<b>14.877.695</b>	<b>(34.063.145)</b>
Financial Income	32	10.425.735	3.847.578
Financial Expense (-)	32	(64.745.847)	(23.140.459)
Monetary gains/(losses)		68.054.937	119.232.426
<b>PROFIT BEFORE TAX</b>		<b>28.612.520</b>	<b>65.876.400</b>
<b>Tax income/(expense)</b>		<b>(11.879.639)</b>	<b>(39.362.867)</b>
Current period tax expense (-)	34	(2.816.239)	(5.152.653)
Deferred income tax expense	34	(9.063.400)	(34.210.214)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>16.732.881</b>	<b>26.513.533</b>
<b>PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>		<b>16.732.881</b>	<b>26.513.533</b>
<b>Attributable to</b>		<b>16.732.881</b>	<b>26.513.533</b>
Non-Controlling Interests		-	-
Equity Holders of the Parent		<b>16.732.881</b>	26.513.533
<b>Earnings Per Share</b>			
Earnings Per Share From Continuing Operations	35	0,0747	0,4735
Earnings Per Share From Discontinued Operations			

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

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

SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.  
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024 AND 2023  
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Unaudited Current Period 1 January-31 March 2024	Unaudited Prior Period 1 January- 31 March 2023
<b>PROFIT FOR THE PERIOD</b>	<b>35</b>	<b>16.732.881</b>	<b>26.513.533</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>(240.242)</b>	<b>619.812</b>
Gains/(losses) on remeasurements of defined benefit plans – Actuarial gains/(losses)		(312.002)	804.950
Deferred tax effect		71.760	(185.138)
<b>Items to be reclassified to profit or loss</b>		<b>(1.296.249)</b>	<b>(815.112)</b>
Currency translation differences		(1.296.249)	(815.112)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(1.536.491)</b>	<b>(195.300)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>15.196.390</b>	<b>26.318.233</b>
<b>Attributable to</b>			
Non-Controlling Interests		-	-
Equity Holders of the Parent		15.196.390	26.318.233

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

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

SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024 AND 2023  
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

Unaudited Prior Period	Paid-in share capital	Adjustment to share capital	Treasury shares	Share premium	Restricted reserves	Prior years' income	Profit for the Period	Items not to be reclassified to profit or loss	Items to be reclassified to profit or loss	Equity holders of the parent	Non-controlling interests	Total equity
								Gains/(losses) on remeasurements	Currency translation differences			
<b>Balances at 1 January 2023 (Beginning of the period)</b>	<b>56.000.000</b>	<b>139.163.914</b>	-	<b>210.152.563</b>	<b>4.994.371</b>	<b>124.271.213</b>	<b>258.006.431</b>	<b>(1.132.973)</b>	<b>92.314</b>	<b>791.547.833</b>	-	<b>791.547.833</b>
Gains/(losses) on share-based transactions	-	-	-	-	-	-	-	-	-	-	-	-
Capital increases - Cash	-	-	-	-	11.713.630	246.292.801	(258.006.431)	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	26.513.533	619.812	(815.112)	26.318.233	-	26.318.233
<b>Balances at 31 March 2023 (End of the period)</b>	<b>56.000.000</b>	<b>139.163.914</b>	-	<b>210.152.563</b>	<b>16.708.001</b>	<b>370.564.014</b>	<b>26.513.533</b>	<b>(513.161)</b>	<b>(722.798)</b>	<b>817.866.066</b>	-	<b>817.866.066</b>
<b>Unaudited Current Period</b>												
<b>Balances at 1 January 2024 (Beginning of the period)</b>	<b>224.000.000</b>	<b>214.048.236</b>	<b>(6.322.067)</b>	<b>111.841.215</b>	<b>31.063.060</b>	<b>171.152.552</b>	<b>220.419.844</b>	<b>(3.317.733)</b>	<b>(8.986.815)</b>	<b>953.898.292</b>	-	<b>953.898.292</b>
Dividends paid (*)	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	7.127.729	213.292.115	(220.419.844)	-	-	-	-	-
Capital increases - Equity	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on share-based transactions	-	-	(7.127.729)	-	-	-	-	-	-	(7.127.729)	-	(7.127.729)
Total comprehensive income	-	-	-	-	-	-	16.732.881	(240.242)	(1.296.249)	15.196.390	-	15.196.390
<b>Balances at 31 March 2024 (End of the period)</b>	<b>224.000.000</b>	<b>214.048.236</b>	<b>(13.449.796)</b>	<b>111.841.215</b>	<b>38.190.789</b>	<b>384.444.667</b>	<b>16.732.881</b>	<b>(3.557.975)</b>	<b>(10.283.064)</b>	<b>961.966.953</b>	-	<b>961.966.953</b>

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

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

SUWEN TEKSTİL SANAYİ PAZARLAMA A.Ş.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024 AND 2023  
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Unaudited Current Period 31.03.2024	Unaudited Prior Period 31.03.2023
<b>PROFIT FOR THE PERIOD</b>		<b>16.732.881</b>	<b>26.513.533</b>
<b>Adjustments to reconcile profit for the period to cash generated from operating activities</b>		<b>94.916.251</b>	<b>111.407.269</b>
Depreciation and amortisation	17,18,19	80.982.796	78.634.309
Adjustments for tax income/expense		11.879.639	39.362.867
Adjustments for Provisions	22,23	2.271.185	6.236.752
<i>Adjustments for Provision for Employee Benefits (Reversal)</i>		<i>5.836.093</i>	<i>6.154.525</i>
<i>Adjustments for Provision for lawsuits, litigations and penalties (Reversal)</i>		<i>134.581</i>	<i>(247.008)</i>
<i>Adjustments for Other Provisions (Reversal)</i>		<i>(3.699.489)</i>	<i>329.235</i>
<b>Adjustments for Impairment Loss (Reversal of impairment loss)</b>	13	<b>2.572.978</b>	<b>897.902</b>
Adjustments for Interest Income	32	(10.174.589)	(3.476.246)
Adjustments for Interest Expenses	32	60.917.268	22.810.099
Adjustments for losses/(gains) on disposal of non-current assets		(2.400.349)	(3.742.683)
Other adjustments for reconcile profit for the period	10,18	(31.690.573)	5.820.818
<i>Discount income from trade payables</i>	30	<i>17.039.119</i>	<i>15.505.314</i>
<i>Discount expenses from trade receivables</i>	30	<i>(6.527.118)</i>	<i>(9.684.496)</i>
<i>Lease contracts</i>	18	<i>(42.202.574)</i>	-
Monetary gains/(losses)		(19.442.104)	(35.136.549)
<b>Changes in Working Capital</b>		<b>(201.401.173)</b>	<b>(173.861.782)</b>
Adjustments for Gains/(Losses) on Trade Receivables	10	12.992.884	16.294.436
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	11	603.598	(14.263.810)
Adjustments for Gains/(Losses) on Other Assets Related to Operations		(20.424.906)	2.686.114
Changes in Inventories	13	(239.384.803)	(173.161.631)
Adjustments for Gains/(Losses) on Trade Payables	10	30.256.475	(9.018.352)
Adjustments for Gains/(Losses) on Other Payables Related to Operations		14.489.655	18.185.458
Changes in Prepaid Expenses	14	24.724.992	11.596.986
Changes in Deferred Income	14	(1.192.029)	2.028.069
Adjustments for gains/(losses) on payables due to employee benefits	20	3.297.245	(3.242.168)
Adjustments for gains/(losses) on provisions for employee benefits	23	(2.035.641)	(3.309.079)
Income taxes refund/(paid)		(24.728.643)	(21.657.805)
Adjustments for gains/(losses) on other changes in working capital		-	-
<b>Cash Flows from Operating Activities</b>		<b>(89.752.041)</b>	<b>(35.940.980)</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(27.563.410)</b>	<b>(17.973.669)</b>
Cash inflows from sale of property, plant and equipment and intangible asset	17,19	31.972.380	15.373.750
Cash outflows from purchase of property, plant and equipment and intangible assets	17,19	(49.479.087)	(37.791.458)
Cash Outflows for the Acquisition of Fund Shares	7	(21.723.224)	-
Interest received		11.666.521	4.444.039
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>8.003.034</b>	<b>(42.678.647)</b>
Cash inflows from share premium		-	-
Cash outflows from repayments of borrowings	8	(46.577.088)	(24.221.398)
Cash inflows from borrowings	8	156.950.000	48.851.481
Cash outflows from lease liabilities	8	(50.974.907)	(56.544.219)
Cash outflows from treasury shares (-)		(7.127.729)	-
Dividends paid		-	-
Interest paid		(44.267.242)	(10.764.511)
<b>D) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(109.312.417)</b>	<b>(96.593.296)</b>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		168.949	3.750.889
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(109.143.468)</b>	<b>(92.842.407)</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>210.009.750</b>	<b>235.481.210</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>100.866.282</b>	<b>142.638.803</b>

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



**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS**

Suwen Tekstil Sanayi Pazarlama Anonim Şirketi (the "Company" or "Suwen Tekstil") was established on 5 August 2003 in İstanbul with the title of "Ekofer Teskil Parfümeri Sanayi Pazarlama Limited Şirketi". The title of Ekofer Teskil Parfümeri Sanayi Pazarlama Limited Şirketi has been changed to "Suwen Tekstil Sanayi Pazarlama Anonim Şirketi" which published in Official Gazzette on 27 July 2018 and numbered 821.

Suwen Tekstil's business activities include ensuring to produce, import, export, domestic purchase and sale of all kinds of raw materials, semi-finished materials and finished products related to textiles written in the articles of the association.

Suwen Tekstil is a retail company that produces and sells to its customers with a wide range of products from underwear to home wear, from socks to corsets, from beach wear collections to puerperal groups with its own brand and design in Turkey.

The registered address of Suwen Tekstil is as follows:

Tatlısu Mahallesi, Göksu Caddesi No:41/1 Ümraniye/İstanbul

As of 31 March 2024 and 31 December 2023, the number of the stores and dealers of the Company is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Stores</b>	168	165
<b>Dealers</b>	5	6
<b>Foreign stores</b>	9	9
<b>Foreign dealers</b>	9	10

As of 31 March 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Suwen Tekstil are as follows:

<b>Shareholders</b>	<b>31.03.2024</b>		<b>31.12.2023</b>	<b>Share</b>
	<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>	<b>(%)</b>
Birol Sümer	33.034.156	14,75%	33.034.156	14,75%
Intilux SARL	31.675.000	14,14%	31.675.000	14,14%
Ali Bolluk	23.241.664	10,38%	23.241.664	10,38%
Özcan Sümer	13.942.794	6,22%	13.942.794	6,22%
Çiğdem Ferda Arslan	8.113.048	3,62%	8.113.048	3,62%
Other	113.993.338	50,89%	113.993.338	50,89%
<b>Total share capital</b>	<b>224.000.000</b>	<b>100.00%</b>	<b>224.000.000</b>	<b>100.00%</b>

The subsidiaries ("Subsidiaries"), included in the consolidation scope of Suwen Tekstil, their country of incorporation, nature of business, their effective interests and their respective business segments are as follows:

<b>Subsidiary</b>	<b>Country of incorporation</b>	<b>Effective ownership interests (%)</b>		<b>Nature of business</b>
		<b>31 March 2024</b>	<b>31 December 2023</b>	
Suwen Lingerie SRL.	Romania	100.00%	100.00%	Retail sales

For the purpose of the consolidated financial statements and notes to the consolidated financial statements, Suwen Tekstil and its consolidated subsidiary are hereinafter referred to as "the Group".

Total end of period and average number of personnel employed by the Suwen Tekstil is 1.012 (31 December 2023:1.005).

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1 Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676.

The accompanying consolidated financial statements are presented in accordance with the “Announcement regarding to TAS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

The Group maintains their books of account and prepares their statutory consolidated financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. These consolidated financial statements have been prepared in Turkish Lira under the historical cost conversion except for the financial assets and liabilities presented at fair values. Adjustments and restatements, required for the fair presentation of the consolidated financial statements in conformity with the TFRS, have been accounted for in the statutory financial statements, which are prepared in accordance with the historical cost principle.

These consolidated financial statements as of and for the interim period 31 March 2024 have been approved for issue by the Board of Directors (“BOD”) on 26 June 2024. These consolidated financial statements will be finalised following their approval in the General Assembly.

2.1.2. Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TL, which is Suwen Tekstil’s functional and presentation currency.

2.1.3. Adjustments of financial statements in hyperinflationary periods

*Financial Reporting in Hyperinflationary Economies*

In accordance with TAS 29 “Financial Reporting in Hyperinflation Economies” which requires entities whose functional currency is that of a hyperinflationary economy to prepare their consolidated financial statements in terms of the measuring unit current at the end of the reporting period. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TURKSTAT”). As at 31 March 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.03.2024	2.139,47	1.00000	211%
31.12.2023	1.859,38	1,15064	268%
31.03.2023	1.269,75	1,68495	152%

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 “Financial Reporting in Hyperinflation Economies” as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

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

## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

*(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority “(POA)” on 23 November 2023, entities applying Turkish Financial Reporting Standards (“TFRSs”) are required to present their financial statements by adjusting for the material influence of inflation for the comparative annual reporting period ending on or after 31 December 2022 and opening balances starting from 1 January 2022, in accordance with the accounting principles specified in TAS 29.

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

The main components of the Company’s restatement for financial reporting purposes in hyperinflationary economies are as follows:

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

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

#### Restatement of the Statement of Financial Position

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

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

#### Restatement of the Statement of Profit or Loss

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

Cost of inventories sold has been restated using the restated inventory balance. Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

#### Restatement of Statement of Cash Flows

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

#### Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 March 2024. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

---

Comparative figures

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

**2.2. Statement of compliance with TFRS**

The accompanying consolidated financial statements for the year ended 31 March 2024 have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS/TAS”) with additions and interpretations as issued by POA. The accompanying consolidated financial statements and the related notes are presented in accordance with the “Financial Statement Examples and User Guide” published in the Official Gazette No. 28652 dated 20 May 2013.

**2.3. Basis of consolidation**

The consolidated financial statements include the accounts of the parent company, the Group, and the subsidiary until having the power over investee. Controlling interest is provided by having power over the financial and operational policies of an entity in order to have economic benefit from its operations.

*The financial statements of the subsidiaries operating in foreign countries*

Financial statements of subsidiaries that are operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered in and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group’s accounting policies.

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that statement of financial position,
- Income and expense items for each statement of profit or loss are translated at average exchange rates; and all resulting exchange differences (currency translation differences) are recognized as a separate component of equity and statements of comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

*Going concern*

As of 31 March 2024, the Group has prepared its consolidated financial statements with the assumption on the Group’s ability to continue its operations in the foreseeable future as a going concern basis of accounting.

**Subsidiaries**

Subsidiary is a separate entity controlled by the Group. The Group have controlling interest over the entity when it is exposed to variable returns due to its relationship with a entity or has rights to these returns and has the ability to influence these returns with its controlling interest simultaneously. The financial statements of the subsidiary have been included in the consolidated financial statements from the commencement date of control until the date that it ceases.

The accounting policies of the subsidiary have been changed when deemed necessary in order to comply with the policies accepted by the Group. Even if the abovementioned matter reversed in non-controlling interests, total comprehensive income is transferred to the parent company’s shareholders and non-controlling interests.

Subsidiaries included in the scope of the consolidation and their effective interests (%) is as follows:

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**

*(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

Subsidiary	Country of incorporation	Effective ownership interests (%)		Nature of business
		31 March 2024	31 December 2023	
Suwen Lingerie SRL.	Romania	100.00%	100.00%	Retail sales

In order to start an operation that the Group will manage within its own structure with store openings and e-commerce sales in Romania, the Group has been established a subsidiary (“Subsidiary”) at the registered address of Voluntari City, 1/VI Pipera Blvd. Hyperion Towers building, Tower 2, Ilfov county, Romania with the title of “Suwen Lingerie S.R.L.” which was published in Official Gazette on 3 June 2019. As of 31 December 2023, the Group has 7 stores in Romania.

***Consolidation procedures and eliminations***

During the preparation of consolidated financial statements, consolidated financial statements eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and non-current assets, are eliminated in full). Consolidated financial statements offset the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Unrealized losses are eliminated accordingly as unrealized gains, unless there is evidence of impairment.

***Consolidated statement of financial position and profit or loss restatement principles***

***Full consolidation method***

- The paid in share capital and balance sheet items of the Group and the subsidiary are aggregated. In the aggregation, the receivables and payables of the subsidiaries in scope of consolidation from each other eliminated in full.

- The paid in share capital of the consolidated balance sheet is the paid in share capital of the Group; paid in share capital of the subsidiary is not included in the consolidated balance sheet.

- Equity items including paid / issued capital of the subsidiary within the scope of consolidation, less the amounts corresponding to the shares other than the parent company and subsidiaries presented as the “Non-Controlling Interests” after the equity of the group in the consolidated balance sheet.

- Current and non-current assets acquired by the subsidiaries subject to full consolidation method from each other, in principle, are included in the consolidated balance sheet over carried at cost before the sale, by making adjustments to present these assets at the acquisition cost to the subsidiaries subject to the full consolidation method.

- The profit or loss items of the Group and the subsidiary are aggregated separately and the sales of goods and services made by the subsidiaries subject to the full consolidation method to each other in the aggregation process have been deducted from the total sales amount and cost of goods sold. The profit arising from the purchase and sale of goods between these subsidiaries related to the inventories of the subsidiaries subject to the full consolidation method was deducted from the inventories in the consolidated financial statements and added to the cost of the sold goods, the loss was added to the inventories and deducted from the cost of the goods sold.

Income and expense items resulting from the transactions of the subsidiaries subject to full consolidation method with each other have been offset in the relevant accounts.

- Net profit or loss of the subsidiary within the scope of consolidation, the part corresponding to the shares other than the subsidiaries subject to the consolidation method has been presented as the “Non-Controlling Interests” after the net consolidated period profit.

- The necessary adjustments have been made for the compliance of the financial statements of the subsidiary with the accounting principles applied by other intragroups, when deemed necessary.

**2.4. Offsetting**

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

## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

---

### 2.5. Comparatives and adjustment of prior periods' financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible. The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance.

### 2.6. Changes in accounting policies

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are adjusted. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in. There has been no change in the accounting policies of the Group in the current period.

The Group started to apply TFRS 16 Leases standard to annual reporting periods beginning on or after 1 January 2019. As of 1 January 2019, the summary financial statements for leases previously classified as operating leases in accordance with TAS 17, right-of-use assets are accounted for at an amount equal to the lease liabilities (adjusted for the amount of prepaid or accrued lease payments) in accordance with the simplified transition method in the related standard.

### 2.7. Changes in accounting estimates and errors

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods.

The nature and amount of a change in the accounting estimate, which has an impact on the outcome of the current period or is expected to have an impact on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates expected to have an impact on the results of operations in the current period.

The Group has applied accounting policies consistent with each other in its consolidated financial statements for the periods presented and has no significant changes in accounting policies other than TFRS 16 in the current period.

### 2.8. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with TFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the consolidated statement of profit or loss and in the carrying value of assets and liabilities in the consolidated balance sheet, and in the disclosure of information in the notes to the consolidated financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the consolidated financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

a) Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates) (Note 23).

## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

b) The Group depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates. (Note 17, 19) .

d) Provision for doubtful receivables reflects the amounts that the Group Management believes will meet future losses as of the balance sheet date. Provision for doubtful receivables represents the amounts that the Group believes will compensate future losses of receivables which are present as of the balance sheet date but which are not subject to collection in current economic conditions. The past performance of borrowers assessed for impairment of receivables impairment, credits on the market and their performance from the balance sheet date to the date of approval of the financial statements are also taken into consideration. As of the balance sheet date, the related provisions are disclosed in Note 10.

d) Inventories are valued at the lower of cost or net realisable value.

e) Provision for inventory impairment is recognized when net realisable value less the costs of completion and selling expenses.

f) The physical properties of the inventories and the past are examined in relation to the inventory impairment, the availability of the personnel is determined according to the opinions of the technical personnel and provision is made for the items that are estimated to be unavailable. Average sales prices are used to determine the net realizable value of inventories. The information about the inventory impairment that has been set as of the balance sheet date is given in Note 13.

### 2.9. Summary of significant accounting policies

#### Revenue recognition

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue is accounted for in the consolidated financial statements within the scope of the five-stage model below.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied.

A contract with a customer will be identified if all the following conditions are met:

- (a) the contract has been approved by the parties to the contract,
  - (b) each party's rights in relation to the goods or services to be transferred can be identified,
  - (c) the payment terms for the goods or services to be transferred can be identified,
  - (d) the contract has commercial substance and,
  - (e) it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.
- In assessing whether a consideration is likely to be collectible, the entity considers only the customer's intention to pay that amount on time (Note 27).

#### Revenue from goods sold

The Group generates revenue by selling bras, panties, socks, undershirts, dressing gowns, nightgowns, swimsuits, bikinis, pareos, pijamas, tights, underwear and textile products. The revenue is recognised when the goods or services are transferred to the customers.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis and classified under other operating income.

## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

---

### Inventories

Inventories are valued at the lower of cost or net realisable value. Cost of inventories includes; all purchasing costs, covering costs and other costs incurred to make the inventories ready to sell. Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

When the net realisable value of the inventory falls below its cost, the inventories are reduced to their net realisable value and the expense is reflected in the profit or loss statement in the year in which the impairment incurred. In cases where the conditions that previously caused inventories to be reduced to net realizable value lose their validity or there is an increase in the net realizable value due to changing economic conditions, the provision for the impairment is reversed. The reversal is limited to prior impairment amount (**Note 13**).

### Cash and cash equivalents

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. Cash and cash equivalents represent cash on hand and demand deposits, deposits held in banks with maturities of 3 months or less, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value (Note 6).

### Related parties

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment defined plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

According to the explanations above, in accordance with TAS 24, directly or indirectly on the company; Real and legal person partners who have control power alone or together and their close family members (up to second degree) and legal entities controlled directly or indirectly, alone or together by them, and that they have a significant impact and / or legal entities serving as senior management personnel; Subsidiaries of the Group, Board Members, key management personnel and their close family members (up to second degree) and legal entities controlled directly or indirectly, alone or together, are considered as related parties (**Note 36**).

### Trade receivables and provision for doubtful receivables

Trade receivables generated by the Group by way of providing goods or services to a buyer are carried at amortized cost. Trade receivables that are not accrued after the unearned finance income are calculated by discounting the amounts to be obtained in the subsequent periods from the original invoice value. Short term receivables with no stated interest rate are measured at cost unless the effect of effective interest is significant (**Note 10**). The effective interest method is that the present value is calculated



## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

on the basis of “compound interest basis”. The rate used in this method and determined on the basis of compound interest is called as an effective interest rate. Effective interest rate; is the rate that discounts the estimated future cash collections or payments to the present value of the financial asset over the expected useful life of the financial asset.

Considering the Group's normal trading cycle, trade receivables are subject to administrative and / or legal follow-up, secured or unsecured, objective finding, etc., for the trade receivables whose maturities are out of the ordinary business cycle. and evaluates the provision of provision for doubtful receivables. The amount of this provision is the difference between the carrying amount of the receivable and the amount that is available for collection. The recoverable amount is the present value of expected cash inflows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the receivable originally formed. The Group management evaluates the provision for doubtful receivables for the receivables that are under administrative and / or legal follow-up, unsecured and collection possibility over the term of the Group's ordinary business cycle.

In case of collecting the provision for the doubtful receivable, in case all or part of the doubtful receivable amount is collected, the collected amount is deducted from the provisioned doubtful receivable and recognized in other operating income.

#### Financial liabilities and borrowing costs

Financial liabilities are recognized initially at the proceeds received, net of transaction costs incurred. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement over the period of the borrowings.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset (which is intended to be intended for use and intended for sale over an extended period of time) may be capitalized as part of the cost of that asset. The Group has no capitalized financing costs during the period (**Note 8**).

#### TFRS 16 “Leases”

##### Group - as a lessee

At inception of a contract, the Group assesses whether the 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.

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:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- 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)
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of an identified asset. Group has the right to direct the use of the asset throughout the period of use only if either:
  - a) Group has the right to direct how and for what purpose the asset is used throughout the period of use or
  - b) Relevant decisions about how and for what purpose the asset is used are predetermined
    - i. 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. 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.

Group recognises 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

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**

*(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

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).

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

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) Adjusted for any remeasurement of the lease liability.

Group applies the depreciation requirements in TAS 16 “Property, Plant and Equipment” in depreciating the right-of-use asset.

Group applies TAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

The rate of depreciation applied on right of use assets is 33% for motor vehicles and 10%-50% for buildings.

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, initially measured using the index or rate as at the commencement date,
- 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, 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) Remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Variable lease payments

Some lease contracts of the Group contain variable payment terms. Variable lease payments are not in the scope of TFRS 16 Standard and recognised in the statement of income as rent expense in the related period.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less and agreements related to information on low value assets, which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 Leases Standard and related lease payments are recognised as an expense in the period in which they are incurred.

**Group - as a lessor**

The Group has no operating and finance leases as a lessor during the period.

**Transition to TFRS 16 “Leases” Standard**

The Group applied TFRS 16, “Leases”, which superseded TAS 17, “Leases”, and recognized in the consolidated financial statements by using “cumulative effect method” on the transition date of 1 January 2019. The standard allows a “simplified transition”, which does not require restatement of the comparative information and retained earnings of the financial statements.

## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

At the date of initial application of TFRS 16 “Leases”, the Group recognised “lease liability” in the financial statements regarding the lease commitments classified as operating leases in accordance with TAS 17 “Leases” before 1 January 2019. Related lease liabilities are measured at their present value by discounting the unrealised lease payments using the Group’s incremental borrowing rate at the date of initial application. Right of-use assets are recognized for an amount equal to the lease liabilities (adjusted for the amount of prepaid or accrued lease payments) in accordance with the simplified transition method in the related standard.

The Group applies TFRS 16 Leases standard to annual reporting periods beginning on or after 1 January 2019. As of 1 January 2019, the summary financial statements for leases previously classified as operating leases in accordance with TAS 17, right of-use assets are accounted for at an amount equal to the lease liabilities (adjusted for the amount of prepaid or accrued lease payments) in accordance with the simplified transition method in the related standard.

#### Property, plant and equipment and related depreciation

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment (except land) on a straight-line basis over their estimated useful lives. Land is not depreciated as it is deemed to have an indefinite useful life.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<b>Economic Useful Lives (years)</b>
Plant, Machinery and Equipment	8-15
Motor Vehicles	15
Furniture and Fixtures	2-20
Leasehold Improvements	2-8

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under “gains/(losses) from investing activities” in the current period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset’s net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment.

Repairs and maintenance expenses are charged to statement of profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Gains or losses on disposals of property, plant and equipment are determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

#### Intangible assets and related amortisation

Intangible assets acquired before 1 January 2005 are carried at acquisition costs adjusted for inflation; whereas those purchased in and purchased after 2005 are carried forward at their acquisition cost less accumulated amortization.

They are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis.

Intangible assets acquired are amortised on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets are vary over 3-20 years.

#### Impairment of assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**Foreign currency translation**

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the consolidated balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group have been accounted for under “other operating income/(expenses)”.

The consolidated financial statements are presented in TL, which is Suwen Tekstil’s functional and presentation currency. Transactions in currencies other than functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Currency translation differences recognized as profit or loss in the period which they incurred.

The exchange rates at the end of the annual reporting periods are as follows:

	31.03.2024	31.03.2024	31.12.2023	31.12.2023
	Purchase	Sale	Purchase	Sale
EUR/TL	34,7780	34,9173	32.5511	32.6815
USD/TL	32,2628	32,3921	29.4176	29.5355
GBP/TL	40,6381	40,9399	37.4155	37.6934

**Earnings per share**

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

**Events after the reporting period**

Events after the reporting period are those events, which occur between the balance sheet date and the date when the financial statements are authorized for issue.

The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

**Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**

*(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

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 not included in the consolidated financial statements and treated as contingent assets or liabilities.

**Taxes on income**

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

*Current tax*

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

*Deferred tax*

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas 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. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

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

*Current and deferred tax for the period*

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the income statement. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

*Offsetting in tax assets and liabilities*

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

**Provision for employment termination benefits**

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections. TAS 19

## SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

“Employee Benefits” requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity’s obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/(losses) and recognised under consolidated statement of other comprehensive income. These estimates are reviewed at each balance sheet date and revised if deemed necessary.

#### Statement of cash flow

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group’s activities such as cash on hand, bank deposits and liquid investments.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (property, plant and equipment, intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

#### 2.10. New and Revised Turkish Financial Reporting Standards

##### The new standards, amendments, and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 March 2024 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TFRS/TAS”) and interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 31 March 2024 are as follows:

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

On 15 January 2021, the POA issued amendments to TAS 1 “Presentation of Financial Statements”. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2024, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Early application is permitted.

The Group is in the process of assessing the material influence of the amendments on financial position or performance of the Group.

##### Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of “accounting estimates”. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2024. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the commencement of the effective date. Earlier application is permitted. The amendments did not have a significant material influence on the financial position or performance of the Group.

##### Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

---

the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant material influence on the financial position or performance of the Group.

**Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules**

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. This amendment introduces a temporary exception to the accounting for deferred tax assets and liabilities related to Pillar Two income taxes. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023. The amendments did not have a significant material influence on the financial position or performance of the Group.

**Standards issued but not yet effective and not early adopted**

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

**Amendment to TAS 1 – Non-current liabilities with covenants**

The standard is 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.

**Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements**

The standard is 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 ("International Accounting Standards Board") response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

**Amendment to TFRS 16 – Leases on sale and leaseback**

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 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.

**TFRS S1, 'General requirements for disclosure of sustainability-related financial information**

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

**TFRS 2 Climate-related Disclosures**

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 3 – BUSINESS COMBINATIONS**

As of 31 March 2024 and 31 December 2023, the Group has no business combinations subject to common control and relevant transactions.

**NOTE 4 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES**

Suwen Tekstil has no interests in subsidiaries, joint arrangements, associates and unconsolidated “structured entities”.

**NOTE 5 – OPERATING SEGMENTS**

As of 31 March 2024 and 31 December 2023, the Group has no reportable segments considered under operating segments.

**NOTE 6 – CASH AND CASH EQUIVALENTS**

As of 31 March 2024 and 31 December 2023, the functional breakdown of cash and cash equivalents is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Cash on hand	502.817	1.320.738
Banks	88.469.504	194.370.004
- Time deposit (up to 3 months)	66.112.545	133.569.701
- Demand deposit	22.356.959	60.800.303
Other cash and cash equivalents (*)	12.070.690	15.987.669
<b>Total</b>	<b>101.043.011</b>	<b>211.678.411</b>
Interest accruals	(176.729)	(1.668.661)
<b>Cash and cash equivalents, net</b>	<b>100.866.282</b>	<b>210.009.750</b>

As of 31 March 2024 and 31 December 2023, the Group has no blocked deposits.

(\*) Includes credit card (“POS”) receivables up to 3 months.

The details of time deposits are as follows (not includes interest accruals):

**Time deposits**

<b>Currency</b>	<b>Annual effective interest rate (%)</b>	<b>Effective maturity</b>	<b>31.03.2024</b>
TL	30.00-41.00%	0-1 month	65.935.816
<b>Total</b>			<b>65.935.816</b>

**Time deposits**

<b>Currency</b>	<b>Annual effective interest rate (%)</b>	<b>Effective maturity</b>	<b>31.12.2023</b>
TL	32.00 – 46.00%	0-1 month	131.901.040
<b>Total</b>			<b>131.901.040</b>



SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 7 – FINANCIAL INVESTMENTS

As of 31 March 2024 and 31 December 2023, the functional breakdown of short-term financial investments is as follows:

<b>financial investments:</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Investment funds	21.723.224	-
<b>Total</b>	<b>21.723.224</b>	<b>-</b>

As of 31 March 2024 and 31 December 2023, the Group has no long-term financial investments.

NOTE 8 - FINANCIAL LIABILITIES

As of 31 March 2024 and 31 December 2023, the details of current liabilities are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Short-term borrowings	154.909.038	35.788.091
Lease liabilities (IFRS 16)	145.002.886	149.592.743
Short-term portion of long-term borrowings	14.473.738	24.062.388
Other	149.274	289.971
<b>Total short-term borrowings, net</b>	<b>314.534.936</b>	<b>209.733.193</b>
	<b>31.03.2024</b>	<b>31.12.2023</b>
Long-term borrowings	4.291.690	11.510.089
Lease liabilities (IFRS 16)	213.975.392	179.082.970
<b>Total long-term borrowings, net</b>	<b>218.267.082</b>	<b>190.593.059</b>

As of 31 March 2024 and 31 December 2023, the repayment schedule of borrowings is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
0-3 months	56.881.332	36.078.062
4-12 months	112.650.718	24.062.388
1-5 years	4.291.690	11.510.089
<b>Total</b>	<b>173.823.740</b>	<b>71.650.539</b>

As of 31 March 2024 and 31 December 2023, annual effective interest rates of borrowings in terms of currencies are as follows:

<b>Currency</b>	<b>Annual effective interest rate (%)</b>	<b>31 March 2024</b>		
		<b>Short-term</b>	<b>Long-term</b>	<b>Total</b>
TL	56.09%	169.532.050	4.291.690	173.823.740
		<b>169.532.050</b>	<b>4.291.690</b>	<b>173.823.740</b>

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 8 - FINANCIAL LIABILITIES (continued)**

Currency	Annual effective	31 December 2023		
	interest rate (%)	Short-term	Long-term	Total
TL	22.29%	60.140.449	11.510.090	71.650.539
		<b>60.140.449</b>	<b>11.510.090</b>	<b>71.650.539</b>

The breakdown and movement of cash and non-cash changes regarding the liabilities arising from financing activities are as follows:

	01.01-31.03.2024	01.01-31.03.2023
<b>Beginning of the period – 1 January</b>	<b>71.650.539</b>	<b>93.272.577</b>
Cash inflows from borrowings	156.950.000	48.851.481
Principal and interest payments	(46.577.088)	(24.221.398)
Interest accruals	1.180.462	536.533
Monetary gains/(losses)	(9.380.173)	(10.379.835)
<b>End of the period – 31 March</b>	<b>173.823.740</b>	<b>108.059.358</b>

The movement of short and long-term lease liabilities is as follows:

	01.01-31.03.2024	01.01-31.03.2023
<b>Beginning of the period – 1 January</b>	<b>328.675.712</b>	<b>265.639.812</b>
Payments during the period (-)	(50.974.907)	(56.544.219)
Additions	122.166.636	96.207.376
Disposals (-)	(49.984.519)	(5.195.604)
Interest expenses (-)	14.493.920	10.469.716
Foreign exchange losses (-)	3.469.529	-
Monetary gains/(losses)	(8.868.093)	(21.544.731)
<b>End of the period – 31March</b>	<b>358.978.278</b>	<b>289.032.350</b>

**NOTE 9 – OTHER FINANCIAL LIABILITIES**

None.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

As of 31 March 2024 and 31 December 2023, the functional breakdown of short-term trade receivables is as follows:

<b>Trade receivables</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Trade receivables	36.835.724	38.178.854
Cheques and notes received	2.736.664	5.285.162
Doubtful trade receivables	451.455	519.460
Provision for doubtful trade receivables (-)	(451.455)	(519.460)
Due from related parties (Note 36)	3.072.819	5.646.957
<b>Short-term trade receivables, net</b>	<b>42.645.207</b>	<b>49.110.973</b>

Movements of provision for doubtful trade receivables are as follows:

	<b>01.01 - 31.03.2024</b>	<b>01.01 - 31.03.2023</b>
Beginning of the period – 1 January	519.460	855.933
Additions	-	-
Monetary gains/(losses)	(68.005)	(95.252)
<b>End of the period – 31 March</b>	<b>451.455</b>	<b>760.681</b>

As of 31 March 2024 and 31 December 2023, the Group has no long-term trade receivables.

As of 31 March 2024 and 31 December 2023, the functional breakdown of short-term trade payables is as follows:

<b>Trade payables</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Trade payables	54.637.402	46.658.218
Due to related parties (Note 36)	54.313.390	16.549.688
Notes payable	12.783.279	21.294.914
Notes payable due to related parties (Note 36)	78.419.312	68.354.969
<b>Short-term trade payables, net</b>	<b>200.153.383</b>	<b>152.857.789</b>

Libor interest rates were applied as the annual effective interest rate in the calculation of discount. (31 March 2024 and 31 December 2023: 48.50% and 43.63%, respectively).

As of 31 March 2024 and 31 December 2023, the Group has no long-term trade payables.

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 11 – OTHER RECEIVABLES AND PAYABLES**

As of 31 March 2024 and 31 December 2023, the detailed analysis of short-term other receivables is as follows:

<b>Short-term other receivables</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Receivables from tax office	16.046	437.065
<b>Short-term other receivables, net</b>	<b>16.046</b>	<b>437.065</b>

As of 31 March 2024 and 31 December 2023, the detailed analysis of long-term other receivables is as follows:

<b>Long-term other receivables</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Deposits and guarantees given	5.090.690	5.273.269
<b>Long-term other receivables, net</b>	<b>5.090.690</b>	<b>5.273.269</b>

As of 31 March 2024 and 31 December 2023, the detailed analysis of short-term other payables is as follows:

<b>Short-term other payables</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Deposits and guarantees received	1.879.911	940.113
<b>Short-term other payables, net</b>	<b>1.879.911</b>	<b>940.113</b>

As of 31 March 2024 and 31 December 2023, the detailed analysis of long-term other payables is as follows:

<b>Long-term other payables</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Deposits and guarantees received (*)	3.574.452	3.805.084
<b>Long-term other payables, net</b>	<b>3.574.452</b>	<b>3.805.084</b>

(\*) Represents guarantees received for international distribution and foreign sales dealer agreements

**NOTE 12 – DERIVATIVE INSTRUMENTS**

None.

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 13 – INVENTORIES**

As of 31 March 2024 and 31 December 2023, the breakdown of inventories is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Merchandise	809.502.249	567.503.710
Other inventories (*)	7.639.240	10.252.976
Provision for impairment on inventories (-)	(4.503.969)	(4.530.497)
<b>Total</b>	<b>812.637.520</b>	<b>573.226.189</b>

(\*) Includes materials such as hangers and mannequins

The movement of provision for impairment on inventories is as follows:

	<b>01.01 - 31.03.2024</b>	<b>01.01 - 31.03.2023</b>
Beginning of the period – 1 January	4.530.497	5.020.445
Additions	2.572.978	897.902
Reversals	(2.599.506)	(1.223.200)
<b>End of the period – 31 March</b>	<b>4.503.969</b>	<b>4.695.147</b>

**NOTE 14 - PREPAID EXPENSES AND DEFERRED INCOME**

As of 31 March 2024 and 31 December 2023, the breakdown of short-term prepaid expenses is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Short-term prepaid expenses</b>		
Advances given	36.321.735	59.540.730
Short-term prepaid expenses	12.844.149	14.350.146
<b>Short-term prepaid expenses, net</b>	<b>49.165.884</b>	<b>73.890.876</b>

As of 31 March 2024 and 31 December 2023, the Group has no long-term prepaid expenses.

As of 31 March 2024 and 31 December 2023, the breakdown of short-term deferred income is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Short-term deferred income</b>		
Advances received	1.188.552	2.782.530
Short-term deferred income	7.586.417	7.666.451
<b>Short-term deferred income, net</b>	<b>8.774.969</b>	<b>10.448.981</b>

As of 31 March 2024 and 31 December 2023, the breakdown of long-term deferred income is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
<b>Long-term deferred income</b>		
Long-term deferred income (*)	8.326.929	7.844.946
<b>Long-term deferred income, net</b>	<b>8.326.929</b>	<b>7.844.946</b>

(\*) Represents bank promotions and premiums.

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 15 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

None.

**NOTE 16 – INVESTMENT PROPERTIES**

None.

**NOTE 17 – PROPERTY, PLANT AND EQUIPMENT**

As of 31 March 2024 and 31 March 2023, the movements for property, plant and equipment, and related depreciation are as follows:

**31.03.2024**

	Opening balance – 1 January 2024	Additions	Disposals (-)	Currency translation differences	Closing balance – 31 March 2024
<b>Cost</b>					
Plant, machinery and equipment	1.086.377	201.124	-	-	1.287.501
Motor vehicles	44.157.562	5.560.891	(28.947.816)	-	20.770.637
Furniture and fixtures	53.411.153	2.245.643	(274.649)	-	55.382.147
Leasehold improvements	332.412.145	40.976.875	(4.546.117)	1.194.805	370.037.708
<b>Total</b>	<b>431.067.237</b>	<b>48.984.533</b>	<b>(33.768.582)</b>	<b>1.194.805</b>	<b>447.477.993</b>

**Accumulated depreciation (-)**

Plant, machinery and equipment	(752.087)	(27.369)	-	-	(779.456)
Motor vehicles	(4.828.507)	(2.225.082)	3.696.372	-	(3.357.217)
Furniture and fixtures	(30.751.356)	(1.929.342)	61.056	-	(32.619.642)
Leasehold improvements	(163.186.881)	(14.399.048)	439.122	827.257	(176.319.550)
<b>Total</b>	<b>(199.518.831)</b>	<b>(18.580.841)</b>	<b>4.196.550</b>	<b>827.257</b>	<b>(213.075.865)</b>

**Net book value**

**231.548.406**

**234.402.128**

**31.03.2023**

	Opening balance – 1 January 2023	Additions	Disposals (-)	Currency translation differences	Closing balance – 31 March 2023
<b>Cost</b>					
Plant, machinery and equipment	968.557	-	-	-	968.557
Motor vehicles	18.145.017	12.908.169	(11.761.722)	-	19.291.464
Furniture and fixtures	42.357.036	2.100.425	(34.051)	(369.396)	44.054.014
Leasehold improvements	243.661.373	14.265.565	-	(539.986)	257.386.952
<b>Total</b>	<b>305.131.983</b>	<b>29.274.159</b>	<b>(11.795.773)</b>	<b>(909.382)</b>	<b>321.700.987</b>

**Accumulated depreciation (-)**

Plant, machinery and equipment	(699.514)	(16.177)	-	-	(715.691)
Motor vehicles	(769.871)	(943.358)	870.715	-	(842.514)
Furniture and fixtures	(23.900.419)	(1.540.277)	8.613	21.293	(25.410.790)
Leasehold improvements	(114.204.454)	(11.422.151)	-	39.453	(125.587.152)
<b>Total</b>	<b>(139.574.258)</b>	<b>(13.921.963)</b>	<b>879.328</b>	<b>60.746</b>	<b>(152.556.147)</b>

**Net book value**

**165.557.725**

**169.144.840**

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 17 - PROPERTY, PLANT AND EQUIPMENT (continued)

As of 31 March 2024, the Group has no pledges, mortgages and restrictions on property, plant and equipment.

As of 31 March 2024, total insurance coverage on property, plant and equipment is amounting to TL 1.059.792.814 (31 December 2023: TL 1.039.239.915).

NOTE 18 – RIGHT OF USE ASSETS

As of 31 March 2024 and 31 March 2023, the movements for right of use assets, and related depreciation are as follows:

**31.03.2024**

	Opening balance – 1 January 2024	Additions	Disposals (-)	Currency translation differences	Closing balance – 31 March 2024
Right of use assets	1.234.132.039	123.796.345	(27.963.322)	(8.732.450)	1.321.232.612
Depreciation and amortisation charges	(742.977.852)	(57.727.503)	22.021.197	5.245.189	(773.438.969)
<b>Net book value</b>	<b>491.154.187</b>				<b>547.793.643</b>

**31.03.2023**

	Opening balance – 1 January 2023	Additions	Disposals (-)	Currency translation differences	Closing balance – 31 March 2023
Right of use assets	926.672.803	96.207.376	(39.363.544)	(4.703.850)	978.812.785
Depreciation and amortisation charges	(544.186.199)	(62.267.020)	34.167.940	986.298	(571.298.981)
<b>Net book value</b>	<b>382.486.604</b>				<b>407.513.804</b>

NOTE 19 – INTANGIBLE ASSETS

As of 31 March 2024 and 31 March 2023, the movements for other intangible assets, and related depreciation are as follows:

**31.03.2024**

	Opening balance – 1 January 2024	Additions	Disposals (-)	Closing balance – 31 March 2024
<b>Cost</b>				
Rights	59.206.990	494.555	-	59.701.545
<b>Total</b>	<b>59.206.990</b>	<b>494.555</b>	<b>-</b>	<b>59.701.545</b>
<b>Accumulated depreciation (-)</b>				
Rights	(27.144.432)	(4.674.452)	-	(31.818.884)
<b>Total</b>	<b>(27.144.432)</b>	<b>(4.674.452)</b>	<b>-</b>	<b>(31.818.884)</b>
<b>Net book value</b>	<b>32.062.558</b>			<b>27.882.661</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 19 – INTANGIBLE ASSETS (continued)

**31.03.2023**

	Opening balance – 1 January 2023	Additions	Disposals (-)	Closing balance – 31 March 2023
<b>Cost</b>				
Rights	31.468.292	8.517.299	(1.618.022)	38.367.569
<b>Total</b>	<b>31.468.292</b>	<b>8.517.299</b>	<b>(1.618.022)</b>	<b>38.367.569</b>
<b>Accumulated depreciation (-)</b>				
Rights	(14.215.372)	(2.445.326)	903.402	(15.757.296)
<b>Total</b>	<b>(14.215.372)</b>	<b>(2.445.326)</b>	<b>903.402</b>	<b>(15.757.296)</b>
<b>Net book value</b>	<b>17.252.920</b>			<b>22.610.273</b>

**Goodwill**

None.

NOTE 20 – EMPLOYEE BENEFITS

As of 31 March 2024 and 31 December 2023, the breakdown of employee benefits is as follows:

	31.03.2024	31.12.2023
Due to employees	31.951.989	30.120.168
Social security premiums payable	22.853.125	21.387.701
<b>Total</b>	<b>54.805.114</b>	<b>51.507.869</b>

NOTE 21 – SHORT-TERM PROVISIONS

As of 31 March 2024 and 31 December 2023, the functional breakdown and detailed analysis of short-term provisions, contingent liabilities and contingent assets are as follows:

	31.03.2024	31.12.2023
<b>Short-term provisions</b>		
Provision for unused vacation	6.188.845	3.963.241
Other short-term provisions	3.117.795	4.039.620
<b>Short-term provisions, net</b>	<b>9.306.640</b>	<b>8.002.861</b>

The movement of provision for unused vacation is as follows:

	01.01 - 31.03.2024	01.01 - 31.03.2023
Beginning of the period – 1 January	3.963.241	4.672.853
Additions	2.744.454	1.587.503
Monetary gains/(losses)	(518.850)	(520.017)
<b>End of the period – 31 March</b>	<b>6.188.845</b>	<b>5.740.339</b>



SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

<b>Other short-term provisions</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Provision for lawsuits (*)	880.012	863.053
Provision for price revision	1.015.174	1.921.958
Provision for sales returns	1.222.609	1.254.609
<b>Other short-term provisions, net</b>	<b>3.117.795</b>	<b>4.039.620</b>

(\*) Mainly comprise of employment-related and workplace lawsuits filed against the Group

The movement of other short-term provisions is as follows:

<b>Other short-term provisions</b>	<b>Provision for lawsuits (*)</b>	<b>Provision for price revision</b>	<b>Provision for sales returns</b>	<b>Total</b>
Beginning of the period	863.053	1.921.958	1.254.609	4.039.620
Additions	134.581	(655.170)	132.248	(388.341)
Reversals (-)	-	(1.921.958)	(1.254.609)	(3.176.567)
Monetary gains/(losses)	(117.622)	1.670.344	1.090.361	2.643.083
<b>End of the period – 31 March 2024</b>	<b>880.012</b>	<b>1.015.174</b>	<b>1.222.609</b>	<b>3.117.795</b>

<b>Other short-term provisions</b>	<b>Provision for lawsuits (*)</b>	<b>Provision for price revision</b>	<b>Provision for sales returns</b>	<b>Total</b>
Beginning of the period	1.996.138	5.182.423	1.554.093	8.732.654
Additions	-	3.655.670	917.504	4.573.174
Reversals (-)	(247.008)	(3.264.876)	(979.063)	(4.490.947)
Monetary gains/(losses)	(413.413)	(2.280.879)	(683.985)	(3.378.277)
<b>End of the period – 31 March 2023</b>	<b>1.335.717</b>	<b>3.292.338</b>	<b>808.549</b>	<b>5.436.604</b>

*i) Commitments, mortgages and guarantees not included in the liability*

As of 31 March 2024 and 31 December 2023, the details of guarantees are as follows:

	Currency	31 March 2024		31 December 2023	
		Original currency amount	TL equivalent	Original currency amount	TL equivalent
Letter of guarantee	TL	950.000	950.000	1.093.104	1.093.104
Letter of guarantee	USD	100.000	3.139.210	100.000	2.953.550
Letter of guarantee	EUR	138.016	4.819.162	120.000	3.921.780
<b>Guarantees received, net</b>			<b>8.908.372</b>		<b>7.968.434</b>

*ii) Total mortgages and guarantees on assets*

None.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

*iii) Commitments, mortgages and guarantees not included in the liability*

As of 31 March 2024 and 31 December 2023, the breakdown of collateral/pledge/mortgage (“CPM”) position of the Group is as follows:

	31 March 2024			31 December 2023	
	Currency	Original currency amount	TL equivalent	Original currency amount	TL equivalent
A. Total amount of CPM’s given in the name of its own legal personality				81.879.131	81.879.131
	TL	73.177.944	73.177.944		
	USD	218.000	6.843.478	218.000	6.438.739
	EUR	82.286	2.873.205	55.286	1.806.829
<b>Total</b>			<b>82.894.627</b>		<b>90.124.699</b>

NOTE 22 – COMMITMENTS

None.

NOTE 23 – LONG-TERM PROVISIONS

As of 31 March 2024 and 31 December 2023, long-term provisions of Suwen Tekstil is as follows:

Provision for employment termination benefits		
Long-term provisions	31.03.2024	31.12.2023
Provision for employment termination benefits	6.497.325	4.872.246
<b>Total</b>	<b>6.497.325</b>	<b>4.872.246</b>

Under Turkish Labour Law, Suwen Tekstil and its subsidiaries incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, 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 31 March 2024, the amount payable consists of one month’s salary limited to a maximum of TL 35.058,58 (31 December 2023: TL 35.058,58) 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 Group arising from the retirement of the employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the entity’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

The principal assumption is that the maximum liability for each year of service increases in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects.

As of 31 March 2024, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of 31 March 2024, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 22% and an interest rate of 25%, resulting in a discount rate of 2.46% (31 December 2023: 2.46%).

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

The movements of provision for employment termination benefits are as follows:

	<b>01.01 - 31.03.2024</b>	<b>01.01 - 31.03.2023</b>
Beginning of the period – 1 January	4.872.246	2.571.724
Service cost	1.538.846	1.068.183
Interest cost	975.644	1.039.341
Actuarial losses	312.002	(804.950)
Loss on remeasurements of defined benefit plans	1.552.793	5.742.527
Payments during the period (-)	(2.035.641)	(3.309.079)
Monetary gains/(losses)	(718.565)	(1.139.462)
<b>End of the period – 31 March</b>	<b>6.497.325</b>	<b>5.168.284</b>

**NOTE 24 – TAX ASSETS AND LIABILITIES**

As of 31 March 2024 and 31 December 2023, the Group has no current income tax assets:

As of 31 March 2024 and 31 December 2023, the Group has no current income tax liabilities.

**NOTE 25 – OTHER ASSETS AND LIABILITIES**

As of 31 March 2024 and 31 December 2023, the breakdown of other current assets is as follows:

<b>Other current assets</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Deferred VAT	29.349.601	8.647.608
Advances given to employees	1.239.763	595.415
Other	6.732.929	7.654.364
<b>Other current assets, net</b>	<b>37.322.293</b>	<b>16.897.387</b>

As of 31 March 2024 and 31 December 2023, the breakdown of other current liabilities is as follows:

<b>Other current liabilities</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Taxes, duties and charges	28.003.422	13.195.585
Expense accruals	29.513	720.677
Other	3.022.872	3.359.056
<b>Other current liabilities, net</b>	<b>31.055.807</b>	<b>17.275.318</b>

As of 31 March 2024 and 31 December 2023, the Group has no other non-current liabilities.

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 26 – EQUITY**

As of 31 March 2024 and 31 December 2023, the principal shareholders and their respective shareholding rates in Suwen Tekstil are as follows:

<b>Shareholders</b>	<b>31.03.2024 Amount</b>	<b>Share (%)</b>	<b>31.12.2023 Amount</b>	<b>Share (%)</b>
Birol Sümer	33.034.156	14,75%	33.034.156	14,75%
Intilux SARL	31.675.000	14,14%	31.675.000	14,14%
Ali Bolluk	23.241.664	10,38%	23.241.664	10,38%
Özcan Sümer	13.942.794	6,22%	13.942.794	6,22%
Çiğdem Ferda Arslan	8.113.048	3,62%	8.113.048	3,62%
Other	113.993.338	50,89%	113.993.338	50,89%
<b>Total share capital</b>	<b>224.000.000</b>	<b>100.00%</b>	<b>224.000.000</b>	<b>100.00%</b>

*i) Capital reserves*

None.

*ii) Restricted reserves*

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital.

The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. The details of the restricted reserves are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Legal reserves	24.740.993	24.740.993
Treasury shares (*)	13.449.796	6.322.067
<b>Total</b>	<b>38.190.789</b>	<b>31.063.060</b>

(\*) In accordance with the regulations issued by Turkish Commercial Code ("TCC") and the Capital Markets Board ("CMB"), a reserve in an amount for the acquisition cost is allocated for the treasury shares in the accompanying consolidated financial statements. Accordingly, with the consideration of the restricted reserves in the consolidated financial statements, a reserve amounting to TL 13.330.143 including transaction costs has been allocated for the treasury shares.

*iii) Retained earnings*

As of 31 March 2024 and 31 December 2023, the breakdown of retained earnings which includes other retained earnings is as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Retained earnings	384.444.667	171.152.552
<b>Total</b>	<b>384.444.667</b>	<b>171.152.552</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

iv) Treasury shares

As the Group repurchase their own equity instruments, these instruments are accounted for as “treasury shares” and deducted from equity. Gain or loss is not recognized in the consolidated statement of profit or loss due to the purchase, sale, issue or cancellation of the equity instruments of the Group and the amounts received or paid for these transactions including tax effect are recognized directly in equity. The Group has treasury shares amounting to TL 13.449.796

As of 31 March 2024 and 31 December 2023, the breakdown of treasury shares is as follows:

	31.03.2024	31.12.2023
Treasury shares	(13.449.796)	(6.322.067)
<b>Total</b>	<b>(13.449.796)</b>	<b>(6.322.067)</b>

v) Share premium

As of 31 March 2024 and 31 December 2023, the breakdown of share premium is as follows:

	31.03.2024	31.12.2023
Share premium	111.841.215	111.841.215
<b>Total</b>	<b>111.841.215</b>	<b>111.841.215</b>

Expenses incurred during the initial public offering have been deducted from the share premiums.

vi) Other comprehensive income or expenses to be reclassified to profit or loss

As of 31 March 2024 and 31 December 2023, the detailed table of other comprehensive income or expenses to be reclassified to the consolidated statement of profit or loss recognised under equity is as follows:

	31.03.2024	31.12.2023
Currency translation differences	(10.283.064)	(8.986.815)
<b>Total</b>	<b>(10.283.064)</b>	<b>(8.986.815)</b>

vii) Other comprehensive income or expenses not to be reclassified to profit or loss

As of 31 March 2024 and 31 December 2023, the detailed table of other comprehensive income or expenses not to be reclassified to the consolidated statement of profit or loss recognised under equity is as follows:

	31.03.2024	31.12.2023
Gains/(losses) on remeasurements of defined benefit plans	(3.557.975)	(3.317.733)
<b>Total</b>	<b>(3.557.975)</b>	<b>(3.317.733)</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 27 – REVENUE AND COST OF SALES

As of 31 March 2024 and 31 March 2023, the functional breakdown of revenue and cost of sales is as follows:

	01.01.- 31.03.2024	01.01.- 31.03.2023
Domestic sales	622.645.128	518.148.326
Foreign sales	19.131.060	16.678.104
Sales returns (-)	(14.933.408)	(15.760.970)
Other discounts (-)	(9.074.381)	(9.246.543)
<b>Total</b>	<b>617.768.399</b>	<b>509.818.917</b>
	01.01.- 31.03.2024	01.01.- 31.03.2023
Cost of merchandise sold	(293.546.156)	(287.278.786)
<b>Total</b>	<b>(293.546.156)</b>	<b>(287.278.786)</b>

As of 31 March 2024, the Group has gross profit amounting to TL 324.222.243 (31 March 2023: TL 222.540.130).

The breakdown of channels for the sales of the Group is as follows:

Account Name	01.01.- 31.03.2024	01.01.- 31.03.2023
Retail Sales	529.700.505	444.357.162
E-Commerce Sales	75.814.020	57.092.288
Wholesales	8.296.388	5.799.873
Dealer Sales	3.957.486	2.569.594
<b>Sales revenue, net</b>	<b>617.768.399</b>	<b>509.818.917</b>

NOTE 28 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING SALES AND DISTRIBUTION EXPENSES

As of 31 March 2024 and 31 March 2023, the breakdown of operating expenses is as follows:

	01.01.- 31.03.2024	01.01.- 31.03.2023
Marketing, sales and distribution expenses (-)	(289.531.115)	(233.059.656)
General administrative expenses (-)	(32.317.617)	(20.217.162)
<b>Total operating expenses (-)</b>	<b>(321.848.732)</b>	<b>(253.276.818)</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 29 – EXPENSES BY NATURE

As of 31 March 2024 and 31 March 2023, the functional breakdown of marketing, sales and distribution expenses and general administrative expenses recognized in expenses by nature is as follows:

<b>Marketing, sales and distribution expenses (-)</b>	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
Personnel expenses	(139.994.806)	(94.102.468)
Depreciation and amortisation charges	(78.656.956)	(76.322.989)
Rent expenses	(19.244.938)	(15.616.755)
Advertisement and promotion expenses	(14.696.315)	(13.612.163)
Transportation and freight costs	(13.023.113)	(11.705.041)
Stationery expenses	(5.379.902)	(6.229.913)
Insurance, maintenance and repair expenses	(4.896.278)	(4.555.316)
Consultancy expenses	(1.274.307)	(2.811.502)
Other	(12.364.500)	(8.103.509)
<b>Marketing, sales and distribution expenses, net (-)</b>	<b>(289.531.115)</b>	<b>(233.059.656)</b>
<b>General administrative expenses (-)</b>	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
Personnel expenses	(24.374.756)	(14.642.607)
Depreciation and amortisation charges	(2.325.840)	(2.311.320)
Insurance, maintenance and repair expenses	(2.068.414)	(396.442)
Consultancy expenses	(1.139.568)	(948.148)
Other	(2.409.039)	(1.918.645)
<b>General administrative expenses, net (-)</b>	<b>(32.317.617)</b>	<b>(20.217.162)</b>
<b>Depreciation and amortisation charges</b>	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
Marketing, sales and distribution expenses (-)	(78.656.956)	(76.322.989)
General administrative expenses (-)	(2.325.840)	(2.311.320)
<b>Depreciation and amortisation charges, net</b>	<b>(80.982.796)</b>	<b>(78.634.309)</b>
<b>Personnel expenses</b>	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
Marketing, sales and distribution expenses (-)	(139.994.806)	(94.102.468)
General administrative expenses (-)	(24.374.756)	(14.642.607)
<b>Personnel expenses, net</b>	<b>(164.369.562)</b>	<b>(108.745.075)</b>

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 30 – OTHER OPERATING INCOME/(EXPENSES)**

As of 31 March 2024 and 31 March 2023, the functional breakdown of other operating income/(expenses) is as follows:

<b>Other operating income</b>	<b>01.01.- 31.03.2024</b>	<b>01.01. - 31.03.2023</b>
Discount income	17.039.119	15.505.314
Foreign exchange gains	11.311.961	4.585.902
Interest income	4.326.806	2.788.514
Bank promotion revenues	1.330.769	-
Income from insurance compensations and claims	748.340	-
Reversals of provisions	-	247.007
Other	474.672	81.602
<b>Other operating income, net</b>	<b>35.231.667</b>	<b>23.208.339</b>

<b>Other operating expenses (-)</b>	<b>01.01.- 31.03.2024</b>	<b>01.01. - 31.03.2023</b>
Interest expenses	(12.162.519)	(5.915.660)
Discount expenses	(6.527.118)	(9.684.496)
Foreign exchange losses	(2.567.384)	(2.806.122)
Delay and interest fees and charges	(850.698)	(7.485.238)
Grants and donations (*)	(250.883)	(2.612.246)
Provision for lawsuits	(134.581)	-
Other	(2.634.650)	(1.773.718)
<b>Other operating expenses, net (-)</b>	<b>(25.127.833)</b>	<b>(30.277.480)</b>

(\*) Includes grants and donations realised to relevant institutions regarding the earthquake disaster that occurred on 6 February 2023

**NOTE 31 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES**

As of 31 March 2024 and 31 March 2023, the functional breakdown of gains from investment activities is as follows:

<b>Gains from investment activities</b>	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
Gain on sale of non-current assets	2.400.350	3.742.683
<b>Gains from investment activities, net</b>	<b>2.400.350</b>	<b>3.742.683</b>

As of 31 March 2024 and 31 March 2023, the Group has no losses from investment activities.



**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

**NOTE 32 – FINANCIAL INCOME/(EXPENSES)**

As of 31 March 2024 and 31 March 2023, the functional breakdown of financial income/(expenses) is as follows:

	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
<b>Financial income</b>		
Foreign exchange gains	251.146	371.332
Interest income	10.174.589	3.476.246
<b>Financial income, net</b>	<b>10.425.735</b>	<b>3.847.578</b>
	<b>01.01.- 31.03.2024</b>	<b>01.01.- 31.03.2023</b>
<b>Financial expenses (-)</b>		
Commission expenses	(3.828.579)	(330.360)
Expenses from finance leases	(14.493.920)	(10.469.716)
Interest expenses	(16.787.116)	(3.004.526)
Foreign exchange losses	(29.636.232)	(9.335.857)
<b>Financial expenses, net (-)</b>	<b>(64.745.847)</b>	<b>(23.140.459)</b>

**NOTE 33 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

None.

**NOTE 34 – INCOME TAXES**

The Group's tax expense (or income) consists of current period corporate income tax expense and deferred tax expense or income and the breakdown and details of income taxes are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>
Current period tax expense (-)	2.816.239	118.040.123
Earthquake tax	-	17.400.023
Prepaid taxes (-)	(735.479)	(111.446.981)
<b>Total tax income/(expense) – Current income tax liability, net</b>	<b>2.080.760</b>	<b>23.993.165</b>

*i) Corporate tax*

Advance tax in Turkey is calculated and accrued on a quarterly basis. Accordingly, the Group has been calculated tax in accordance with the 2024 and 2023 earnings in the first advance tax period, an advance tax rate of 23% and 23%, respectively was calculated on corporate earnings.

Entities whose shares representing at least 20% of the capital are offered to the public for the first time in the Borsa Istanbul Equity Market. The corporate tax rate to be applied to corporate earnings will be applied at a discount of two (2) points for five accounting periods, starting from the accounting period in which the shares are offered to the public for the first time. The tax rate applied in 2024 is 25% but the tax rate applied as 23% since the initial public offering of Suwen Tekstil was completed.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits. According to corporate tax law No. 5520 and article numbered 24, the corporate tax is imposed by the taxpayer's tax returns. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

As of 31 March 2024, the domestic corporate tax rate applied in Romania is 16%. However, the corporate tax rate to be applied due to the grants incentives the Group has benefited from in Romania is 1%.

ii) *Deferred tax*

Suwen Tekstil and its subsidiaries, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and the Turkish tax legislations. These differences usually due to the recognition of revenue and expense items in different reporting periods for the TFRS and tax purposes, the differences explained as below. Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the property, plant and equipment (except land), intangible assets, inventories, the revaluation of prepaid expenses, discount of receivables, provision for employment termination benefits, and prior years' losses. Every accounting year, the Group reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recognized deferred tax asset.

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	<b>31.03.2024</b>	<b>31.12.2023</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
	<b>Cumulative</b>	<b>Cumulative</b>	<b>Deferred tax</b>	<b>Deferred tax</b>
	<b>temporary</b>	<b>temporary</b>	<b>assets</b>	<b>assets</b>
	<b>differences</b>	<b>differences</b>	<b>/(liabilities)</b>	<b>/(liabilities)</b>
Provision for employment termination benefits (long-term)	(6.497.325)	(4.872.246)	1.494.385	1.120.617
Provision for unused vacation	(6.188.845)	(3.963.241)	1.423.434	911.545
Right of use assets	170.260.718	128.866.001	(39.704.909)	(29.891.075)
Trade and other receivables	(1.619.012)	(1.331.407)	372.373	306.223
Provision for sales returns	(818.893)	(945.004)	188.345	217.351
Trade payables	14.233.968	5.312.819	(3.734.373)	(1.498.431)
Inventories	49.154.049	42.438.218	(11.303.107)	(9.761.275)
Property, plant and equipment and intangible assets	34.465.455	49.518.234	(7.950.517)	(11.389.194)
Borrowings	(510.637)	(1.862.333)	117.447	428.337
Provision for lawsuits	(880.012)	(863.053)	202.403	198.502
Provision for price revisions	(1.015.174)	(1.921.958)	233.490	442.050
Other	(877.009)	2.456.480	162.983	(591.055)
<b>Deferred tax assets, net</b>			<b>(58.498.046)</b>	<b>(49.506.405)</b>

Movements in deferred tax assets/(liabilities) are as follows:

	<b>01.01 –</b>	<b>01.01 –</b>
	<b>31.03.2024</b>	<b>31.03.2023</b>
Beginning of the period - 1 January	(49.506.406)	(21.638.830)
Defined benefit plans, deferred tax effect	71.760	(185.138)
Deferred income tax expense during the period	(9.063.400)	(34.210.214)
<b>End of the period – 31 March</b>	<b>(58.498.046)</b>	<b>(56.034.182)</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 35 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 March 2024 and 31 March 2023, which is as follows:

<b>Earnings per share</b>	<b>01.01.- 31.03.2024</b>	<b>01.01. - 31.03.2023</b>
Profit for the period	16.732.881	26.513.535
Profit attributable to equity holders of the parent	16.732.881	26.513.535
Weighted average number of shares with nominal value of TL 1 each	95.675.277	56.000.000
<b>Earnings per share (TL)</b>	<b>0,1749</b>	<b>0,4735</b>

NOTE 36 - RELATED PARTY DISCLOSURES

a) Related party balances due from related parties are as follows:

<b>Trade receivables due from related parties (short-term)</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Eko Tekstil San. ve Tic A.Ş.	3.072.819	5.646.957
<b>Total</b>	<b>3.072.819</b>	<b>5.646.957</b>
<b>Trade payables due to related parties (short-term)</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Latte Tekstil Sanayi ve Ticaret A.Ş.	-	27.643.488
Livadi Tekstil İth. İhr. Tic. A.Ş.	2.020.721	1.317.275
Eko Tekstil San. ve Tic. A.Ş.	81.220.764	9.317.123
Elmas Çamaşır İth. İhr. Tic. A.Ş.	21.521.035	29.429.330
Moni Tekstil Sanayi Ticaret A.Ş.	14.616.538	10.343.040
Aseyya Tekstil	13.318.883	6.835.178
Netcad Yazılım A.Ş.	34.761	19.223
<b>Total</b>	<b>132.732.702</b>	<b>84.904.657</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

b) **Related party transactions are as follows:**

As of 31 March 2024 and 31 March 2023, the details of purchases from related parties are as follows:

**Purchases**

<b>01.01 - 31.03.2024</b>					
<b>Related parties</b>	<b>Goods</b>	<b>Financial transactions</b>	<b>Other</b>	<b>Services</b>	<b>Total</b>
Eko Tekstil San. Ve Tic A.Ş.	270.928.995	850.698	-	-	271.779.693
Elmas Çamaşır İth. İhr. Tic. A.Ş.	60.457.692	-	-	-	60.457.692
Latte Tekstil Sanayi ve Ticaret A.Ş.	1.527.674	-	-	-	1.527.674
Moni Tekstil Sanayi Ticaret A.Ş.	45.598.100	-	-	-	45.598.100
Aseyya Tekstil	22.521.017	-	-	-	22.521.017
Livadi Tekstil İth. İhr. Tic. A.Ş.	27.364.544	-	-	-	27.364.544
Netcad Yazılım A.Ş.	-	-	-	131.479	131.479
<b>Total</b>	<b>428.398.022</b>	<b>850.698</b>	<b>-</b>	<b>131.479</b>	<b>429.380.199</b>

<b>01.01 - 31.03.2023</b>					
<b>Related parties</b>	<b>Goods</b>	<b>Financial transactions</b>	<b>Other</b>	<b>Services</b>	<b>Total</b>
Eko Tekstil San. Ve Tic A.Ş.	86.499.508	-	11.803	-	86.511.311
Elmas Çamaşır İth. İhr. Tic. A.Ş.	38.661.727	-	4.526	-	38.666.253
Latte Tekstil Sanayi ve Ticaret A.Ş.	36.124.871	-	-	-	36.124.871
Moni Tekstil Sanayi Ticaret A.Ş.	23.335.832	-	-	-	23.335.832
Aseyya Tekstil	9.566.741	-	-	-	9.566.741
Livadi Tekstil İth. İhr. Tic. A.Ş.	-	-	-	-	-
Netcad Yazılım A.Ş.	-	-	54.356	-	54.356
<b>Total</b>	<b>194.188.679</b>	<b>-</b>	<b>70.685</b>	<b>-</b>	<b>194.259.364</b>

**Sales**

<b>01.01 - 31.03.2024</b>					
<b>Related parties</b>	<b>Goods</b>	<b>Financial transactions</b>	<b>Other</b>	<b>Services</b>	<b>Total</b>
Eko Tekstil San. Ve Tic A.Ş.	-	-	118.094	-	118.094
Elmas Çamaşır İth. İhr. Tic. A.Ş.	-	-	812.500	-	812.500
<b>Total</b>	<b>-</b>	<b>-</b>	<b>930.594</b>	<b>-</b>	<b>930.594</b>

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024**  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

	01.01 - 31.03.2023				
Related parties	Goods	Financial transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	-	-	-	-	-
Livadi Tekstil İth. İhr. Tic. A.Ş.	-	-	-	-	-
Moni Tekstil Sanayi Ticaret A.Ş.	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Key management compensation**

Total key management compensation incurred by Suwen Tekstil for the interim period 1 January – 31 March 2024 amounted to TL 4.574.332 (31 March 2023: TL 5.818.171).

**NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**

**Financial risk management objectives and policies**

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, price risk, foreign exchange risk, interest rate risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also has financial instruments such as trade receivables and trade payables that arise directly from its operations.

The Group has financial instruments such as bank borrowings, cash on hand and short-term bank deposits which are applied on foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group management manages these risks as follows. The Group also monitors the market risk that may arise from the use of financial instruments.

**Foreign exchange risk**

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD, EURO and GBP.

Foreign exchange transactions result in foreign exchange risk arising from foreign exchange denominated assets and liabilities into Turkish Lira. The Group's exposure to foreign exchange risk arises from its trade payables, purchases and sales denominated in foreign currencies. In order to minimize this risk, the Group monitors its financial position and cash inflows/outflows with detailed cash flow statements as of 31 March 2024 and 31 December 2023.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

As of 31 March 2024 and 31 December 2023, foreign exchange position of the Group is as follows:

	31 March 2024				31 December 2023			
	TL equivalent	EUR	USD	GBP	TL equivalent	EUR	USD	GBP
1. Trade Receivables	66.336.562	1.872.147	38.032	-	61.364.643	1.611.939	29.251	-
2a. Monetary Financial Assets	32.412.986	23.726	979.080	-	77.150.400	2.286	2.276.718	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
<b>4. Total Current Assets (1+2+3)</b>	<b>98.749.548</b>	<b>1.895.873</b>	<b>1.017.112</b>	-	<b>138.515.043</b>	<b>1.614.225</b>	<b>2.305.969</b>	-
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	1.365.662	2.300	39.850	-	1.430.343	1.000	41.150	-
<b>8. Total Non-Current Assets (5+6+7)</b>	<b>1.365.662</b>	<b>2.300</b>	<b>39.850</b>	-	<b>1.430.343</b>	<b>1.000</b>	<b>41.150</b>	-
<b>9. Total Assets (4+8)</b>	<b>100.115.210</b>	<b>1.898.173</b>	<b>1.056.962</b>	-	<b>139.945.386</b>	<b>1.615.225</b>	<b>2.347.119</b>	-
10. Trade Payables	2.352.465	57.687	64	8.210	1.424.726	28.418	-	8.210
11. Financial Liabilities	809.803	-	25.000	-	1.699.236	-	50.000	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
<b>13. Total Current Liabilities (10+11+12)</b>	<b>3.162.268</b>	<b>57.687</b>	<b>25.064</b>	<b>8.210</b>	<b>3.123.962</b>	<b>28.418</b>	<b>50.000</b>	<b>8.210</b>
14. Trade Payables	3.574.974	56.000	50.000	-	3.805.096	56.000	50.000	-
15. Financial Liabilities	-	-	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-	-	-	-	-
<b>17. Total Non-Current Liabilities (14+15+16)</b>	<b>3.574.974</b>	<b>56.000</b>	<b>50.000</b>	-	<b>3.805.096</b>	<b>56.000</b>	<b>50.000</b>	-
<b>18. Total Liabilities (13+17)</b>	<b>6.737.242</b>	<b>113.687</b>	<b>75.064</b>	<b>8.210</b>	<b>6.929.058</b>	<b>84.418</b>	<b>100.000</b>	<b>8.210</b>
<b>19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)</b>	-	-	-	-	-	-	-	-
19a. Total Asset Amount of Hedged	-	-	-	-	-	-	-	-
19b. Total Liabilities Amount of Hedged	-	-	-	-	-	-	-	-
<b>20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)</b>	<b>93.377.968</b>	<b>1.784.486</b>	<b>981.898</b>	<b>(8.210)</b>	<b>133.016.328</b>	<b>1.530.807</b>	<b>2.247.119</b>	<b>(8.210)</b>
<b>21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	-	-	-	-	-	-	-	-
<b>22. Export</b>	2.640.344	-	-	-	22.317.424	-	-	-
<b>23. Import</b>	47.906.151	-	-	-	47.998.319	-	-	-

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

The following table details the Group's foreign currency sensitivity as at 31 March 2024 and 31 December 2023 for the changes at the rate of 10%:

Exchange rate sensitivity analysis		
31 March 2024		
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change in USD against TL by 10%</b>		
1- USD Net Asset/Liability	3.166.908	(3.166.908)
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>3.166.908</b>	<b>(3.166.908)</b>
<b>Change in EUR against TL by 10%</b>		
4- EUR Net Asset/Liability	6.204.501	(6.204.501)
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>6.204.501</b>	<b>(6.204.501)</b>
<b>Change in GBP against TL by 10%</b>		
7- GBP Net Asset/Liability	(33.612)	33.612
8- Hedged portion of GBP Risk (-)	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(33.612)</b>	<b>33.612</b>
<b>Total (3+6+9)</b>	<b>9.337.797</b>	<b>(9.337.797)</b>
Exchange rate sensitivity analysis		
31 December 2023		
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change in USD against TL by 10%</b>		
1- USD Net Asset/Liability	6.609.306	(6.609.306)
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>6.609.306</b>	<b>(6.609.306)</b>
<b>Change in EUR against TL by 10%</b>		
4- EUR Net Asset/Liability	4.981.844	(4.981.844)
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>4.981.844</b>	<b>(4.981.844)</b>
<b>Change in GBP against TL by 10%</b>		
7- GBP Net Asset/Liability	(30.946)	30.946
8- Hedged portion of GBP Risk (-)	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(30.946)</b>	<b>30.946</b>
<b>Total (3+6+9)</b>	<b>11.560.204</b>	<b>(11.560.204)</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Total credit risk is presented in consolidated the statement of financial position.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group also obtains security when appropriate. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties.

31 March 2024	Receivables				Bank deposits	Financial assets and derivative instruments	Other
	Trade receivables		Other receivables				
	Related party	Other	Related party	Other			
<b>Maximum exposure to credit risk as of reporting date (A+B+C+D)</b>	<b>3.072.819</b>	<b>39.572.388</b>	<b>-</b>	<b>5.106.736</b>	<b>88.469.504</b>	<b>-</b>	<b>-</b>
- Maximum risk secured with guarantees and collaterals	-	-	-	-	-	-	-
<b>A. Net book value of neither past due nor impaired financial assets</b>	<b>3.072.819</b>	<b>39.572.388</b>	<b>-</b>	<b>5.106.736</b>	<b>88.469.504</b>	<b>-</b>	<b>-</b>
<b>B. Net book value of past due but not impaired financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Net book value of impaired assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Past due (gross book value)	-	<b>451.455</b>	-	-	-	-	-
Impairment (-)	-	<b>(451.455)</b>	-	-	-	-	-
Secured with guarantees and collaterals	-	-	-	-	-	-	-
Not past due (gross book value)	-	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-	-
Secured with guarantees and collaterals	-	-	-	-	-	-	-
<b>D. Off-balance sheet expected credit losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024  
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31 December 2023	Receivables				Bank deposits	Financial assets and derivative instruments	Other
	Trade receivables		Other receivables				
	Related party	Other	Related party	Other			
Maximum exposure to credit risk as of reporting date (A+B+C+D)	5.646.957	43.464.016	-	5.710.334	194.370.004	-	-
- Maximum risk secured with guarantees and collaterals	-	-	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	5.646.957	43.464.016	-	5.710.334	194.370.004	-	-
B. Net book value of past due but not impaired financial assets	-	-	-	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-	-
Past due (gross book value)	-	519.459	-	-	-	-	-
Impairment (-)	-	(519.459)	-	-	-	-	-
Secured with guarantees and collaterals	-	-	-	-	-	-	-
Not past due (gross book value)	-	-	-	-	-	-	-
Secured with guarantees and collaterals	-	-	-	-	-	-	-
D. Off-balance sheet expected credit losses	-	-	-	-	-	-	-

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Undiscounted contractual cash flows of the non-derivative consolidated financial liabilities in TL as of 31 March 2024 and 31 December 2023 are as follows:

Non-derivative financial liabilities					
31.03.2024	Carrying value	Total contractual cash outflows (I+II+III)	Demand or up to 3 months (I)	3-12 months (II)	1-8 years (III)
Borrowings	173.823.740	210.665.955	60.081.416	143.848.923	6.735.616
Trade payables	200.153.383	215.465.493	192.194.588	23.270.905	-
Lease liabilities	358.978.278	377.405.154	46.511.010	104.348.301	226.545.844
	<b>732.955.401</b>	<b>803.536.602</b>	<b>298.787.014</b>	<b>271.468.129</b>	<b>233.281.460</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31.12.2023	Carrying value	Total contractual cash outflows (I+II+III)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)
Borrowings	71.650.539	84.597.367	39.347.274	28.129.026	17.121.067
Trade payables	152.857.789	158.857.327	154.416.533	4.440.794	-
Lease liabilities	328.675.713	434.256.045	53.517.253	120.066.936	260.671.857
	<b>553.184.041</b>	<b>677.710.739</b>	<b>247.281.060</b>	<b>152.636.756</b>	<b>277.792.924</b>

**Interest rate risk**

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest rate financial instruments and short-long term nature of borrowings.

As of 31 March 2024 and 31 December 2023, interest position of Suwen Tekstil is as follows:

Interest position statement	31.03.2024	31.12.2023
-----------------------------	------------	------------

**Fixed-interest rate financial instruments**

Financial assets	65.935.816	131.901.039
Financial liabilities	532.802.018	400.326.252
- Borrowings	173.823.740	71.650.539
- Lease liabilities	358.978.278	328.675.713

As of 31 March 2024 and 31 December 2023, the Group has no floating-interest rate financial instruments.

**Price risk**

Price risk include foreign exchange risk, interest rate and market risk. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed-floating interest. Market risk have been determined by the Group by using available market information and appropriate valuation methodologies.

**Capital risk management**

The Group's main objectives for capital management are to keep 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. The capital structure of the Group consists of cash and cash equivalents, borrowings and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years.

Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

General strategy based on the Group's equity does not differ from the prior period.

Net financial debt/invested capital ratio as of 31 March 2024 and 31 December 2023 are as follows:

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

	31.03.2024	31.12.2023
Borrowings (except for TFRS 16)	173.823.740	71.650.539
Total borrowings	532.802.018	400.326.252
Less: Cash and cash equivalents	101.043.011	211.678.411
Net financial debt	431.759.007	188.647.841
Invested capital	961.966.953	953.898.292
<b>Net financial debt/invested capital ratio</b>	<b>44,88%</b>	<b>19,78%</b>

**Fair value of financial assets and liabilities**

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

Foreign currency denominated receivables and payables are translated with the exchange rates prevailing as of the date of the financial statements.

The following methods and assumptions are used to estimate the fair values of financial instruments:

**Financial assets**

Carrying values of cash and cash equivalents, accrued interests and other financial assets are approximate to their fair values due to their short-term nature and insignificant credit risk. The carrying values of receivables estimated that reflecting the fair value with the less provision for doubtful receivables.

**Financial liabilities**

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Bank borrowings are carried at their discounted cost and transaction costs are added to the initial cost of the borrowing. The fair values of the borrowings after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira unless otherwise indicated.)

NOTE 38 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

31.03.2024	Notes	Other financial assets at amortised costs	Loans and receivables	Financial assets at fair value through profit or loss	Other financial liabilities at amortised costs	Book value	Fair value
<b>Financial Assets</b>		<b>101.043.011</b>	<b>42.645.207</b>	-	-	<b>143.688.218</b>	<b>143.688.218</b>
Cash and Cash Equivalents	6	101.043.011	-	-	-	101.043.011	101.043.011
Trade Receivables	10	-	42.645.207	-	-	42.645.207	42.645.207
Financial Investments		-	-	-	-	-	-
<b>Financial Liabilities</b>		-	<b>200.153.383</b>	-	<b>532.802.018</b>	<b>732.955.401</b>	<b>732.955.401</b>
Financial Liabilities	8	-	-	-	532.802.018	532.802.018	532.802.018
<i>Borrowings</i>	8	-	-	-	173.823.740	173.823.740	173.823.740
<i>Lease liabilities</i>	8	-	-	-	358.978.278	358.978.278	358.978.278
Other Financial Liabilities	9	-	-	-	-	-	-
Trade Payables	10	-	200.153.383	-	-	200.153.383	200.153.383
<b>31.12.2023</b>							
<b>Financial Assets</b>		<b>211.678.411</b>	<b>49.110.973</b>	-	-	<b>260.789.384</b>	<b>260.789.384</b>
Cash and Cash Equivalents	6	211.678.411	-	-	-	211.678.411	211.678.411
Trade Receivables	10	-	49.110.973	-	-	49.110.973	49.110.973
Financial Investments		-	-	-	-	-	-
<b>Financial Liabilities</b>		-	<b>152.857.789</b>	-	<b>400.326.252</b>	<b>553.184.041</b>	<b>553.184.041</b>
Financial Liabilities	8	-	-	-	400.326.252	400.326.252	400.326.252
<i>Borrowings</i>	8	-	-	-	71.650.539	71.650.539	71.650.539
<i>Lease liabilities</i>	8	-	-	-	328.675.713	328.675.713	328.675.713
Other Financial Liabilities	9	-	-	-	-	-	-
Trade Payables	10	-	152.857.789	-	-	152.857.789	152.857.789

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023**  
*(Amounts are expressed in Turkish Lira unless otherwise indicated.)*

---

**NOTE 39 – EVENTS AFTER THE REPORTING PERIOD**

During the Ordinary General Assembly meeting held on May 17, 2024, it was decided by the Company's Board of Directors to distribute a gross dividend of 0.25 TL per share on August 12, 2024.

**NOTE 40 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE**

None.