

**SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 1 JANUARY – 31 DECEMBER 2024**

**(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY  
ISSUED IN TURKISH  
SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024**

---

<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b> .....	<b>1-2</b>
<b>CONSOLIDATED STATEMENTS OF PROFIT OR LOSS</b> .....	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME</b> .....	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY</b> .....	<b>5</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b> .....	<b>6</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 .....	24
NOTE 4 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES.....	24
NOTE 5 – OPERATING SEGMENTS .....	24
NOTE 6 – CASH AND CASH EQUIVALENTS .....	24
NOTE 7 – FINANCIAL INVESTMENTS.....	25
NOTE 8 - FINANCIAL LIABILITIES .....	25
NOTE 9 – OTHER FINANCIAL LIABILITIES .....	26
NOTE 10 - TRADE RECEIVABLES AND PAYABLES .....	27
NOTE 11 – OTHER RECEIVABLES AND PAYABLES.....	27
NOTE 12 – DERIVATIVE INSTRUMENTS.....	28
NOTE 13 – INVENTORIES.....	28
NOTE 14 - PREPAID EXPENSES AND DEFERRED INCOME.....	29
NOTE 15 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD .....	29
NOTE 16 – INVESTMENT PROPERTIES.....	29
NOTE 17 – PROPERTY, PLANT AND EQUIPMENT .....	30
NOTE 18 – RIGHT OF USE ASSETS.....	31
NOTE 19 – INTANGIBLE ASSETS .....	31
NOTE 20 – EMPLOYEE BENEFITS.....	32
NOTE 21 – SHORT-TERM PROVISIONS.....	32
NOTE 22 – COMMITMENTS.....	34
NOTE 23 – LONG-TERM PROVISIONS.....	34
NOTE 24 – TAX ASSETS AND LIABILITIES .....	35
NOTE 25 – OTHER ASSETS AND LIABILITIES .....	35
NOTE 26 – EQUITY .....	36
NOTE 27 – REVENUE AND COST OF SALES .....	38
NOTE 28 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING SALES AND DISTRIBUTION EXPENSES .....	39
NOTE 29 – EXPENSES BY NATURE .....	39
NOTE 30 – OTHER OPERATING INCOME/(EXPENSES) .....	40
NOTE 31 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES .....	41
NOTE 32 – FINANCIAL INCOME/(EXPENSES) .....	42
NOTE 33 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS .....	42
NOTE 34 – INCOME TAXES.....	42
NOTE 35 - EARNINGS PER SHARE.....	44
NOTE 36 - RELATED PARTY DISCLOSURES.....	44
NOTE 37 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS .....	47
NOTE 38 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING).....	54
NOTE 39 – MONETARY GAIN / LOSS .....	55
NOTE 40 – EVENTS AFTER THE REPORTING PERIOD.....	55
NOTE 41 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE.....	55

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH****INDEPENDENT AUDITOR'S REPORT****To the General Assembly of Suwen Tekstil Sanayi Pazarlama Anonim Şirketi****Report on the audit of the consolidated financial statements****Opinion**

We have audited the consolidated financial statements of Suwen Tekstil Sanayi Pazarlama Anonim Şirketi (the "Company" or "Suwen Tekstil") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements in Türkiye, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

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



www.gureli.com.tr

**Merkez Ofisi**  
Spine Tower Maslak Mah. Saat Sok.  
No: 5 Kat: 25-26-28  
Sarıyer 34485 - İstanbul  
T : 444 9 475 (212) 285 01 50  
F : +90 (212) 285 03 40-43  
gym@gureli.com.tr**Ankara Ofisi**  
ASO Kule Atatürk Bulvarı  
No: 193 Kat: 9  
Kavaklıdere 06680 - Ankara  
T : +90 (312) 466 84 20  
F : +90 (312) 466 84 21  
gymankara@gureli.com.tr**Antalya Ofisi**  
Fener Mah.1964 Sok. No: 35  
Kemal Erdoğan Apt. Kat: 1 D: 4  
Muratpaşa 07230 - Antalya  
T : +90 (242) 324 30 14  
F : +90 (242) 324 30 15  
gymantalya@gureli.com.tr**Bursa Ofisi**  
Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi D Blok Kat: 7 D: 31  
Nilüfer 16265 - Bursa  
T : +90 (224) 451 27 10  
F : +90 (224) 451 27 79  
gymbursa@gureli.com.tr**İzmir Ofisi**  
Atatürk Cad. Ekim Apt.  
No: 174/1 Kat: 5 D: 9  
Alsancak 35220 - İzmir  
T : +90 (232) 421 21 34  
F : +90 (232) 421 21 87  
gymizmir@gureli.com.tr**Trakya Ofisi**  
Yavuz Mah. Ferman Sok.  
No: 3/7 Kat: 2  
Süleymanpaşa 59100 - Tekirdağ  
T : +90 (282) 261 25 30  
F : +90 (282) 282 83 22  
gymtrakya@gureli.com.tr

<b>Inventories</b>	
Please refer to notes 2.9 and 13 to the consolidated financial statements	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
Inventories are valued at the lower of cost or net realisable value in the consolidated financial statements.	We performed the following procedures in relation to the provision for inventory impairment and net realisable value:
The cost of inventories is determined by the weighted average method.	As a part of our audit procedures;
Cost elements of inventories, inventory impairment policy, determination of provision for inventory impairment and inventory valuation determined as a key audit matter for audit of the consolidated financial statements.	-Evaluating whether there is a need for provision for net realizable value in accordance with the changes in gross sales profit on a general or product basis,
	-Evaluating the sales invoice samples and the unit prices in these invoices were compared with the unit prices in the balance sheet period and after the balance sheet date,
	-Testing inventory impairment balances with the inventory aging reports prepare and comparing the year-end inventory counts indicate that whether there were inventories that had not moved or been damaged for a long time from prior period inventories,
	-Comparing the inventory turnover ratio, statement of cost of sales and selling costs to sales ratio with the prior period,
	-Recalculating the inventory cards selected as a sample for the cost calculation of the Group,
	-Evaluating the inventory impairment study of the Group,
	-Testing the disclosures in the consolidated financial statements in relation to the inventory impairment and net realisable value and evaluating the adequacy of such disclosures for TFRS requirements,
	We had no material findings related to the inventories as a result of these procedures.

<b>Leases</b>	
Please refer to notes 2.9 and 18 to the consolidated financial statements	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Application of TFRS 16 Leases standard and its impact and material influence on the consolidated financial statements and notes to the financial statements</b>	We performed the following procedures in relation to application of TFRS 16 and its significant material influence on consolidated financial statements and related notes:
The consolidated financial statements as at and for the year ending 31 December 2024 include right-of-use-assets with carrying values of TL 677.120.167 and lease liabilities with carrying values of TL 451.906.377.	-Understanding and evaluating the significant processes that affecting financial reporting in relation to TFRS 16 standard,



www.gureli.com.tr

**Merkez Ofisi**  
Spine Tower Maslak Mah. Saat Sok.  
No: 5 Kat: 25-26-28  
Sarıyer 34485 - İstanbul  
T : 444 9 475 (212) 285 01 50  
F : +90 (212) 285 03 40-43  
gym@gureli.com.tr

**Ankara Ofisi**  
ASO Kule Atatürk Bulvarı  
No: 193 Kat: 9  
Kavaklıdere 06680 - Ankara  
T : +90 (312) 466 84 20  
F : +90 (312) 466 84 21  
gymankara@gureli.com.tr

**Antalya Ofisi**  
Fener Mah.1964 Sok. No: 36  
Kemal Erdoğan Apt. Kat: 1 D: 4  
Muratpaşa 07230 - Antalya  
T : +90 (242) 324 30 14  
F : +90 (242) 324 30 15  
gymantalya@gureli.com.tr

**Bursa Ofisi**  
Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi D Blok Kat: 7 D: 31  
Nilüfer 16265 - Bursa  
T : +90 (224) 451 27 10  
F : +90 (224) 451 27 79  
gymbursa@gureli.com.tr

**İzmir Ofisi**  
Atatürk Cad. Ekim Apt.  
No: 174/1 Kat: 5 D: 9  
Alsancak 35220 - İzmir  
T : +90 (232) 421 21 34  
F : +90 (232) 421 21 87  
gymizmir@gureli.com.tr

**Trakya Ofisi**  
Yavuz Mah. Ferihan Sok.  
No: 3/7 Kat: 2  
Süleymanpaşa 59100 - Tekirdağ  
T : +90 (282) 261 25 30  
F : +90 (282) 282 83 22  
gymtrakya@gureli.com.tr

<p>As a result of the application of TFRS 16, the amounts recognized are material in terms of consolidated financial statements and determination of the accounting policy depends on the Group management. In addition, right-of-use assets and related lease liabilities calculation includes the significant estimates and assumptions of the Group management.</p> <p>The significant part of these assumptions includes the evaluation of the interest rate used in discounting cash flows and the options to extend the lease term and early termination.</p> <p>Furthermore, notes to the consolidated financial statements of the Group as of 31 December 2024 had significant material influence by the application of TFRS 16.</p>	<p>-Testing the completeness of the contract lists obtained from the Group management and assessing whether the contract contains a service or a lease, -Evaluating the contracts defined as lease by the Group are whether within the scope of TFRS 16,</p> <p>-Considering the lease contracts within scope of TFRS 16, recalculation of right-of-use assets and related lease liabilities, which are accounted in the consolidated financial statements by calculating the interest rate and rental increase rate and other inputs over the lease amounts, -Testing and evaluating the compatibility and consistency of the rent increase rate, interest rate and other inputs used in these calculations with the current market data,</p>
<p>In accordance with the aforementioned disclosures, the effects of TFRS 16 on the consolidated financial statements and related notes determined as a key audit matter for audit of the consolidated financial statements.</p>	<p>-Evaluating the selected the contracts subject to calculation of right of use assets and lease liabilities by sampling method with the correct evaluation of the terms of the lease contracts used in these calculations and the extension options, if any, in compliance with the contract provisions,</p>
	<p>-Testing the disclosures in the consolidated financial statements in relation to the leases and evaluating the adequacy of such disclosures for TFRS requirements,</p>
	<p>We had no material findings related to the application of TFRS 16 Leases standard as a result of these procedures.</p>

<b>Revenue</b>	
Please refer to notes 2.9 and 27 to the consolidated financial statements	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Group recognizes the revenue when the Group transfers control of a good or service over time.</p> <p>Recognition of sales on correct period on the basis of periodicity assumption in accordance with matching principle determined as a key audit matter for audit of the consolidated financial statements.</p>	<p>We performed the following procedures in relation to the testing recognition of revenue:</p> <p>As a part of our audit procedures;</p> <p>-Revenue as a process is evaluated by observing the sales and delivery procedures of the Group.</p> <p>-Our audit procedures are focused on the assessment of invoices issued but risk and ownership have not been transferred. In this context, invoice, delivery note, warehouse exit and delivery documents are analysed by sampling method and the actual delivery is made before the balance sheet date is evaluated.</p> <p>-We have evaluated revenue recognition during the period by applying the material verification procedures and substantive tests to the sales returns during the period following the end of the year.</p> <p>-Testing the disclosures in the consolidated financial statements in relation to the revenue recognition and evaluating the adequacy of such disclosures for TFRS requirements,</p> <p>We had no material findings related to the revenue recognition as a result of these procedures.</p>

www.gureli.com.tr

**Merkez Ofisi**  
Spine Tower Maslak Mah. Saat Sok.  
No: 5 Kat: 25-26-28  
Sarıyer 34485 - İstanbul  
T : +90 (212) 285 01 50  
F : +90 (212) 285 03 40-43  
gym@gureli.com.tr

**Ankara Ofisi**  
ASO Kule Atatürk Bulvarı  
No: 193 Kat: 9  
Kavaklıdere 06680 - Ankara  
T : +90 (312) 466 84 20  
F : +90 (312) 466 84 21  
gymankara@gureli.com.tr

**Antalya Ofisi**  
Fener Mah.1964 Sok. No: 36  
Kemal Erdoğan Apt. Kat: 1 D: 4  
Muratpaşa 07230 - Antalya  
T : +90 (242) 324 30 14  
F : +90 (242) 324 30 15  
gymantalya@gureli.com.tr

**Bursa Ofisi**  
Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi D Blok Kat: 7 D: 31  
Nilüfer 16265 - Bursa  
T : +90 (224) 451 27 10  
F : +90 (224) 451 27 79  
gymbursa@gureli.com.tr

**İzmir Ofisi**  
Atatürk Cad. Ekim Apt.  
No: 174/1 Kat: 5 D: 9  
Alsancak 35220 - İzmir  
T : +90 (232) 421 21 34  
F : +90 (232) 421 21 87  
gymizmir@gureli.com.tr

**Trakya Ofisi**  
Yavuz Mah. Ferihan Sok.  
No: 3/7 Kat: 2  
Süleymanpaşa 59100 - Tekirdağ  
T : +90 (282) 261 25 30  
F : +90 (282) 282 83 22  
gymtrakya@gureli.com.tr

**Application of TAS 29 – “Financial Reporting in Hyperinflationary Economies”**

Key audit matter	How our audit addressed the key audit matter
<p>As disclosed in Note 2.1.3, the Group applied TAS 29 “Financial reporting in hyperinflationary economies (“TAS 29”) in the consolidated financial statements as at and for the year ended 31 December 2024.</p> <p>TAS 29 requires consolidated financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2024 and non-monetary balances at the end of the period with prior year statements with comparative information were restated to reflect a price index that is current at the balance sheet date as of 31 December 2024. The implementation of TAS 29 leads to a change in several of the Group’s control activities pervasively related to financial reporting. Applying TAS 29 results in significant changes to the consolidated financial statement items included in the Group’s consolidated financial statements as at and for the year ending 31 December 2024, which have been restated for comparative purposes as at and for the year ending 31 December 2023, including consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flow. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The explanations regarding the application of TAS 29 are disclosed in Note 2.1.3.</p>	<p>We performed the following audit procedures in relation to the application of TAS 29:</p> <ul style="list-style-type: none"> <li>- Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by the Group management,</li> <li>- Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis,</li> <li>- Verifying whether the Group management’s determination of monetary and non-monetary items is in compliance with TAS 29,</li> <li>- Verifying the general price index rates used in calculations correspond with the coefficients in the “Consumer Price Index in Türkiye” published by the Turkish Statistical Institute,</li> <li>- Evaluating the appropriateness of the Group management’s judgments by comparing with current practices and using our industry knowledge and experience including ensuring the comparison with prior period,</li> <li>- Testing the mathematical accuracy of non-monetary items, consolidated statement of profit or loss, and statement of cash flow adjusted for inflation effects,</li> <li>- Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.</li> </ul> <p>We had no material findings related to the application of TAS 29 as a result of these procedures.</p>

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

www.gureli.com.tr

**Merkez Ofisi**  
Spine Tower Maslak Mah. Saat Sok.  
No: 5 Kat: 25-26-28  
Sarıyer 34485 - İstanbul  
T : 444 9 475 (212) 285 01 50  
F : +90 (212) 285 03 40-43  
gym@gureli.com.tr

**Ankara Ofisi**  
ASD Kule Atatürk Bulvarı  
No: 193 Kat: 9  
Kavaklıdere 06680 - Ankara  
T : +90 (312) 466 84 20  
F : +90 (312) 466 84 21  
gymankara@gureli.com.tr

**Antalya Ofisi**  
Fener Mah.1964 Sok. No: 36  
Kemal Erdoğan Apt. Kat: 1 D: 4  
Muratpaşa 07230 - Antalya  
T : +90 (242) 324 30 14  
F : +90 (242) 324 30 15  
gymantalya@gureli.com.tr

**Bursa Ofisi**  
Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi D Blok Kat: 7 D: 31  
Nilüfer 16265 - Bursa  
T : +90 (224) 451 27 10  
F : +90 (224) 451 27 79  
gymbursa@gureli.com.tr

**İzmir Ofisi**  
Atatürk Cad. Ekim Ağı  
No: 174/1 Kat: 5 D: 9  
Alsancak 35220 - İzmir  
T : +90 (232) 421 21 34  
F : +90 (232) 421 21 87  
gymizmir@gureli.com.tr

**Trakya Ofisi**  
Yavuz Mah. Ferman Sok.  
No: 3/7 Kat: 2  
Süleymanpaşa 59100 - Tekirdağ  
T : +90 (282) 261 25 30  
F : +90 (282) 282 83 22  
gymtrakya@gureli.com.tr



## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

www.gureli.com.tr

**Merkez Ofisi**  
Spine Tower Maslak Mah. Saat Sok.  
No: 5 Kat: 25-26-28  
Sarıyer 34485 - İstanbul  
T : 444 9 475 (212) 285 01 50  
F : +90 (212) 285 03 40-43  
gym@gureli.com.tr

**Ankara Ofisi**  
ASO Kule Atatürk Bulvarı  
No: 193 Kat: 9  
Kavaklıdere 06680 - Ankara  
T : +90 (312) 466 84 20  
F : +90 (312) 466 84 21  
gymankara@gureli.com.tr

**Antalya Ofisi**  
Fener Mah.1964 Sok. No: 36  
Kemal Erdoğan Apt. Kat: 1 D: 4  
Muratpaşa 07230 - Antalya  
T : +90 (242) 324 30 14  
F : +90 (242) 324 30 15  
gymantalya@gureli.com.tr

**Bursa Ofisi**  
Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi D Blok Kat: 7 D: 31  
Nilüfer 16265 - Bursa  
T : +90 (224) 451 27 10  
F : +90 (224) 451 27 79  
gymbursa@gureli.com.tr

**İzmir Ofisi**  
Atatürk Cad. Ekim Apt.  
No: 174/1 Kat: 5 D: 9  
Alsancak 35220 - İzmir  
T : +90 (232) 421 21 34  
F : +90 (232) 421 21 87  
gymizmir@gureli.com.tr

**Trakya Ofisi**  
Yavuz Mah. Ferman Sok.  
No: 3/7 Kat: 2  
Süleymanpaşa 59100 - Tekirdağ  
T : +90 (282) 261 25 30  
F : +90 (282) 282 83 22  
gymtrakya@gureli.com.tr



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

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

### Report on Other Legal and Regulatory Requirements

1) According to the Turkish Commercial Code ("TCC") No. 6102 and pursuant to the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the independent auditors report on the Early Risk Identification System and Committee was presented to the Group's Board of Directors on 10 March 2025.

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

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

The engagement partner who supervised and concluded this independent auditor's report is Hakkı DEDE.

### GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş. An Independent Member of BAKER TILLY INTERNATIONAL



**Dr. Hakkı DEDE**  
Partner  
İstanbul, 10.03.2025

www.gureli.com.tr

**Merkez Ofisi**  
Spine Tower Maslak Mah. Saat Sok.  
No: 5 Kat: 25-26-28  
Sarıyer 34485 - İstanbul  
T : 444 9 475 (212) 285 01 50  
F : +90 (212) 285 03 40-43  
gym@gureli.com.tr

**Ankara Ofisi**  
ASO Kule Atatürk Bulvarı  
No: 193 Kat: 9  
Kavaklıdere 06680 - Ankara  
T : +90 (312) 466 84 20  
F : +90 (312) 466 84 21  
gymankara@gureli.com.tr

**Antalya Ofisi**  
Fener Mah.1964 Sok. No: 36  
Kemal Erdoğan Apt. Kat: 1 D: 4  
Muratpaşa 07230 - Antalya  
T : +90 (242) 324 30 14  
F : +90 (242) 324 30 15  
gymantalya@gureli.com.tr

**Bursa Ofisi**  
Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi D Blok Kat: 7 D: 31  
Nilüfer 16265 - Bursa  
T : +90 (224) 451 27 10  
F : +90 (224) 451 27 79  
gymbursa@gureli.com.tr

**İzmir Ofisi**  
Atatürk Cad. Ekim Apt.  
No: 174/1 Kat: 5 D: 9  
Alsancak 35220 - İzmir  
T : +90 (232) 421 21 34  
F : +90 (232) 421 21 87  
gymizmir@gureli.com.tr

**Trakya Ofisi**  
Yavuz Mah. Ferihan Sok.  
No: 3/7 Kat: 2  
Süleymanpaşa 59100 - Tekirdağ  
T : +90 (282) 261 25 30  
F : +90 (282) 282 83 22  
gymtrakya@gureli.com.tr



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

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

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

ASSETS	Notes	Audited Current Period 31.12.2024	Audited Prior period 31.12.2023
<b>Current Assets</b>			
Cash and Cash Equivalents	6	228.823.230	265.608.435
Trade Receivables	10	110.040.338	61.623.141
<i>Related Parties</i>	<i>10-36</i>	<i>47.780.091</i>	<i>7.085.651</i>
<i>Third Parties</i>	<i>10</i>	<i>62.260.247</i>	<i>54.537.490</i>
Other Receivables	11	492.624	548.417
<i>Third Parties</i>	<i>11</i>	<i>492.624</i>	<i>548.417</i>
Inventories	13	1.184.756.049	719.268.962
Prepaid Expenses	14	87.351.500	92.716.305
<i>Third Parties</i>	<i>14</i>	<i>87.351.500</i>	<i>92.716.305</i>
Other Current Assets	25	16.081.247	21.202.391
<b>Total Current Assets</b>		<b>1.627.544.988</b>	<b>1.160.967.651</b>
<b>Non-Current Assets</b>			
Other Receivables	11	7.492.570	6.616.757
<i>Third Parties</i>	<i>11</i>	<i>7.492.570</i>	<i>6.616.757</i>
Property, Plant and Equipment	17	293.688.923	290.540.775
Right of Use Assets	18	677.120.167	616.287.199
Intangible Assets	19	29.751.848	40.231.244
<i>Other Intangible Assets</i>	<i>19</i>	<i>29.751.848</i>	<i>40.231.244</i>
<b>Total Non-Current Assets</b>		<b>1.008.053.508</b>	<b>953.675.975</b>
<b>TOTAL ASSETS</b>		<b>2.635.598.496</b>	<b>2.114.643.626</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 ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2024 AND 31 DECEMBER 2023

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

<b>LIABILITIES</b>	<b>Notes</b>	<b>Audited Current period 31.12.2024</b>	<b>Audited Prior Period 31.12.2023</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	454.797.047	45.269.792
Lease Liabilities	8	223.922.813	187.704.991
Short-Term Portion of Long-Term Borrowings	8	70.177.504	30.192.844
Trade Payables	10	157.357.058	191.801.885
<i>Related Parties</i>	<i>10-36</i>	<i>61.221.198</i>	<i>106.536.104</i>
<i>Third Parties</i>	<i>10</i>	<i>96.135.860</i>	<i>85.265.781</i>
Employee Benefits	20	54.987.863	64.630.702
Other Payables	11	1.978.200	1.179.628
<i>Third Parties</i>	11	<i>1.978.200</i>	<i>1.179.628</i>
Deferred Income	14	9.888.682	13.111.103
Current Income Tax Liabilities	34	10.243.117	30.105.984
Short-Term Provisions	21	14.341.654	10.041.777
<i>Short-Term Provisions for Employee Benefits</i>	<i>21</i>	<i>7.860.373</i>	<i>4.972.969</i>
<i>Other Short-Term Provisions</i>	<i>21</i>	<i>6.481.281</i>	<i>5.068.808</i>
Other Current Liabilities	25	16.640.862	21.676.612
<b>Total Current Liabilities</b>		<b>1.014.334.800</b>	<b>595.715.318</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	8	34.529.501	14.442.554
Lease Liabilities	8	227.983.564	224.708.543
Other Payables	11	-	4.774.518
<i>Third Parties</i>	11	<i>-</i>	<i>4.774.518</i>
Deferred Income	14	1.968.726	9.843.630
Long-Term Provisions	23	6.181.734	6.113.565
<i>Long-Term Provisions for Employee Benefits</i>	<i>23</i>	<i>6.181.734</i>	<i>6.113.565</i>
Deferred Tax Liabilities	34	93.356.284	62.119.315
<b>Total Non-Current Liabilities</b>		<b>364.019.809</b>	<b>322.002.125</b>
<b>EQUITY</b>			
<b>Equity Holders of the Parent</b>	<b>26</b>	<b>1.257.243.887</b>	<b>1.196.926.183</b>
Paid-in Share Capital		224.000.000	224.000.000
Adjustment to Share Capital		325.651.266	325.651.266
Treasury Shares (-)		(113.566.994)	(7.932.762)
Share Premium		140.335.379	140.335.379
Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss		(5.084.760)	(4.163.003)
- <i>Gains/(losses) on remeasurements of defined benefit plans</i>		<i>(5.084.760)</i>	<i>(4.163.003)</i>
Other Comprehensive Income or Expenses to be reclassified to Profit or Loss		(14.725.359)	(11.276.417)
- <i>Currency Translation Differences</i>		<i>(14.725.359)</i>	<i>(11.276.417)</i>
Restricted Reserves		165.979.254	38.977.101
Retained Earnings		302.336.724	214.757.666
Profit for the Period		232.318.377	276.576.953
<b>TOTAL LIABILITIES</b>		<b>1.257.243.887</b>	<b>1.196.926.183</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2.635.598.496</b>	<b>2.114.643.626</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 ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE YEAR ENDED 1 JANUARY – 31 DECEMBER 2024 AND 2023

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

	Notes	Audited Current period 01.01.- 31.12.2024	Audited Prior period 01.01.- 31.12.2023
Revenue	27	4.358.112.817	3.614.571.774
Cost of Sales (-)	27	(2.036.418.498)	(1.741.111.901)
<b>GROSS PROFIT</b>		<b>2.321.694.319</b>	<b>1.873.459.873</b>
General Administrative Expenses (-)	28-29	(162.922.096)	(118.928.295)
Marketing, Sales and Distribution Expenses (-)	28-29	(1.625.430.984)	(1.400.904.492)
Other Operating Income	30	70.616.396	106.921.101
Other Operating Expenses (-)	30	(110.907.614)	(126.104.036)
<b>OPERATING PROFIT</b>		<b>493.050.021</b>	<b>334.444.151</b>
Gains from investment activities	31	6.580.121	198.305
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)</b>		<b>499.630.142</b>	<b>334.642.456</b>
Financial Income	32	67.181.140	39.241.061
Financial Expense (-)	32	(447.577.207)	(172.829.912)
Monetary gains/(losses)	39	218.854.104	281.347.434
<b>PROFIT BEFORE TAX</b>		<b>338.088.179</b>	<b>482.401.039</b>
<b>Tax income/(expense)</b>		<b>(105.769.802)</b>	<b>(205.824.086)</b>
Current period tax expense (-)	34	(74.257.503)	(169.946.690)
Deferred income tax	34	(31.512.299)	(35.877.396)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>232.318.377</b>	<b>276.576.953</b>
<b>PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>		<b>232.318.377</b>	<b>276.576.953</b>
<b>Attributable to</b>		<b>232.318.377</b>	<b>276.576.953</b>
Non-Controlling Interests		-	-
Equity Holders of the Parent		232.318.377	276.576.953
<b>Earnings Per Share</b>			
Earnings Per Share From Continuing Operations	35	1,0371	1,8976
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 ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 1 JANUARY – 31 DECEMBER 2024 AND 2023

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

	Notes	Audited Current period 01.01.- 31.12.2024	Audited Prior period 01.01.- 31.12.2023
<b>PROFIT FOR THE PERIOD</b>	<b>35</b>	<b>232.318.377</b>	<b>276.576.953</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not to be reclassified to profit or loss</b>		<b>(921.757)</b>	<b>(2.741.385)</b>
Gains/(losses) on remeasurements of defined benefit plans – Actuarial gains/(losses)		(1.197.087)	(3.560.239)
Deferred tax effect		275.330	818.854
<b>Items to be reclassified to profit or loss</b>		<b>(3.448.942)</b>	<b>(11.392.249)</b>
Currency translation differences		(3.448.942)	(11.392.249)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(4.370.699)</b>	<b>(14.133.634)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>227.947.678</b>	<b>262.443.319</b>
<b>Attributable to</b>			
Non-Controlling Interests		-	-
Equity Holders of the Parent		227.947.678	262.443.319

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 ANONİM ŞİRKETİ

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

	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</b>	<b>56.000.000</b>	<b>188.885.617</b>	-	<b>263.692.904</b>	<b>6.266.781</b>	<b>155.931.933</b>	<b>323.738.452</b>	<b>(1.421.618)</b>	<b>115.832</b>	<b>993.209.901</b>	-	<b>993.209.901</b>
Dividends paid	-	-	-	-	-	(50.794.275)	-	-	-	(50.794.275)	-	(50.794.275)
Capital increases – Equity	168.000.000	136.765.649	-	(123.357.525)	-	(181.408.124)	-	-	-	-	-	-
Transfers	-	-	-	-	32.710.320	291.028.132	(323.738.452)	-	-	-	-	-
Gains/(losses) on share-based transactions – Treasury shares	-	-	(7.932.762)	-	-	-	-	-	-	(7.932.762)	-	(7.932.762)
Total comprehensive income	-	-	-	-	-	-	276.576.953	(2.741.385)	(11.392.249)	262.443.319	-	262.443.319
<b>Balances at 31 December 2023</b>	<b>224.000.000</b>	<b>325.651.266</b>	<b>(7.932.762)</b>	<b>140.335.379</b>	<b>38.977.101</b>	<b>214.757.666</b>	<b>276.576.953</b>	<b>(4.163.003)</b>	<b>(11.276.417)</b>	<b>1.196.926.183</b>	-	<b>1.196.926.183</b>
<b>Balances at 1 January 2024</b>	<b>224.000.000</b>	<b>325.651.266</b>	<b>(7.932.762)</b>	<b>140.335.379</b>	<b>38.977.101</b>	<b>214.757.666</b>	<b>276.576.953</b>	<b>(4.163.003)</b>	<b>(11.276.417)</b>	<b>1.196.926.183</b>	-	<b>1.196.926.183</b>
Dividends paid (*)	-	-	-	-	-	(61.995.742)	-	-	-	(61.995.742)	-	(61.995.742)
Transfers	-	-	-	-	127.002.153	149.574.800	(276.576.953)	-	-	-	-	-
Capital increases – Equity	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) on share-based transactions – Treasury shares	-	-	(105.634.232)	-	-	-	-	-	-	(105.634.232)	-	(105.634.232)
Total comprehensive income	-	-	-	-	-	-	232.318.377	(921.757)	(3.448.942)	227.947.678	-	227.947.678
<b>Balances at 31 December 2024</b>	<b>224.000.000</b>	<b>325.651.266</b>	<b>(113.566.994)</b>	<b>140.335.379</b>	<b>165.979.254</b>	<b>302.336.724</b>	<b>232.318.377</b>	<b>(5.084.760)</b>	<b>(14.725.359)</b>	<b>1.257.243.887</b>	-	<b>1.257.243.887</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 ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 1 JANUARY – 31 DECEMBER 2024 AND 2023  
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Audited Current period 31.12.2024	Audited Prior period 31.12.2023
<b>PROFIT FOR THE PERIOD</b>		<b>232.318.377</b>	<b>276.576.953</b>
<b>Adjustments to reconcile profit for the period to cash generated from operating activities</b>		<b>736.301.827</b>	<b>476.270.808</b>
Depreciation and amortisation	17,18,19	441.803.679	434.929.007
Adjustments for tax income/expense		105.769.802	205.824.086
Adjustments for Provisions	22,23	21.117.953	6.881.888
<i>Adjustments for Provision for Employee Benefits (Reversal)</i>		<i>18.170.678</i>	<i>6.462.510</i>
<i>Adjustments for Provision for lawsuits, litigations and penalties (Reversal)</i>		<i>(192.203)</i>	<i>(334.675)</i>
<i>Adjustments for Other Provisions (Reversal)</i>		<i>3.139.478</i>	<i>754.053</i>
Adjustments for Impairment Loss (Reversal of impairment loss)	13	1.622.584	2.397.600
Adjustments for Interest Income	32	(66.440.390)	(35.772.165)
Adjustments for Interest Expenses	32	443.649.114	169.596.778
Adjustments for losses/(gains) on disposal of non-current assets		(6.580.121)	(6.601.407)
Other adjustments for reconcile profit for the period	10,18	1.690.794	401.172
<i>Discount income from trade payables</i>	30	<i>8.779.629</i>	<i>8.800.264</i>
<i>Discount expenses from trade receivables</i>	30	<i>(7.088.835)</i>	<i>(8.738.482)</i>
<i>Lease contracts</i>	18	<i>-</i>	<i>339.390</i>
Monetary gains/(losses)		(206.331.588)	(301.386.151)
<b>Changes in Working Capital</b>		<b>(677.150.127)</b>	<b>(257.085.290)</b>
Adjustments for Gains/(Losses) on Trade Receivables	10	(41.328.362)	24.669.801
Adjustments for Gains/(Losses) on Other Receivables Related to Operations	11	(820.020)	(170.969)
Adjustments for Gains/(Losses) on Other Assets Related to Operations		5.121.143	7.620.305
Changes in Inventories	13	(464.718.464)	55.990.372
Adjustments for Gains/(Losses) on Trade Payables	10	(43.224.456)	(188.128.360)
Adjustments for Gains/(Losses) on Other Payables Related to Operations		(9.011.696)	19.319.680
Changes in Prepaid Expenses	14	5.364.805	(46.717.842)
Changes in Deferred Income	14	(11.097.325)	20.580.536
Adjustments for gains/(losses) on payables due to employee benefits	20	(9.642.839)	22.857.090
Adjustments for gains/(losses) on provisions for employee benefits	23	(13.672.545)	(6.750.170)
Income taxes refund/(paid)		(94.120.368)	(166.355.733)
Adjustments for gains/(losses) on other changes in working capital		-	-
<b>Cash Flows from Operating Activities</b>		<b>291.470.077</b>	<b>495.762.471</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(34.008.321)</b>	<b>(159.671.294)</b>
Cash inflows from sale of property, plant and equipment and intangible asset	17,19	56.395.115	31.231.842
Cash outflows from purchase of property, plant and equipment and intangible assets	17,19	(158.000.974)	(225.958.572)
Interest received		67.597.538	35.055.436
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(298.112.694)</b>	<b>(376.717.562)</b>
Cash outflows from repayments of borrowings	8	(317.041.036)	(170.263.995)
Cash inflows from borrowings	8	805.327.921	189.942.258
Dividends paid		(61.995.742)	(50.794.275)
Cash outflows from lease liabilities	8	(256.350.110)	(213.565.721)
Cash outflows from treasury shares (-)		(105.634.232)	(7.932.762)
Interest paid		(362.419.495)	(124.103.067)
<b>D) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>(40.650.938)</b>	<b>(40.626.385)</b>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		5.022.881	8.666.526
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(35.628.057)</b>	<b>(31.959.859)</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>263.514.643</b>	<b>295.474.502</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6</b>	<b>227.886.586</b>	<b>263.514.643</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 YEAR ENDED 1 JANUARY – 31 DECEMBER 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 Gazette 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 company's shares have been traded on Borsa İstanbul's BIST Star since April 21, 2022.

The registered address of Suwen Tekstil is as follows:

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

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

	31.12.2024	31.12.2023
<b>Stores</b>	175	165
<b>Dealers</b>	5	6
<b>Foreign stores</b>	9	9
<b>Foreign dealers</b>	9	10

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

Shareholders	31.12.2024		31.12.2023	
	Amount	Share (%)	Amount	Share (%)
Intilux SARL	-	0,00%	31.675.000	14,14%
Özcan Sümer	23.572.006	10,52%	13.942.794	6,22%
Birol Sümer	23.409.164	10,45%	33.034.156	14,75%
Ali Bolluk	23.241.664	10,38%	23.241.664	10,38%
Çiğdem Ferda Arslan	8.113.048	3,62%	8.113.048	3,62%
Other	145.664.118	65,03%	113.993.338	50,89%
<b>Total paid-in share capital</b>	<b>224.000.000</b>	<b>100.00%</b>	<b>224.000.000</b>	<b>100.00%</b>

The Board of Directors, in its meeting dated December 26, 2024, resolved to increase the issued capital by TRY 336,000,000 (at a rate of 150%) entirely from internal resources, raising it from TRY 224,000,000 to TRY 560,000,000. In this context, an application has been submitted to the Capital Markets Board for the approval of the issuance certificate, and as of the report date, the Board's approval is pending.

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:

Subsidiary	Country of incorporation	Effective ownership interests (%)		Nature of business
		31 December 2024	31 December 2023	
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 number of personnel employed by the Suwen Tekstil is 1.147 (31 December 2023: 1.005).

## 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 for the year ended 1 January - 31 December 2024 have been approved for issue by the Board of Directors (“BOD”) on 10 March 2025. 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 December 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
31.12.2024	2684.55	1.00000	291%
31.12.2023	1859.38	1.44379	268%
31.12.2022	1128.45	2.37897	156%

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.



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

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 Group’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 Group.
- 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.

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

Consolidated financial statements (Continued)

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 December 2023. 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.

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 as of and for the period ended 31 December 2024 and as of for the year ended 31 December 2023 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 statement of profit or loss 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 December 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.

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

**Subsidiaries (Continued)**

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:

Subsidiary	Country of incorporation	Effective ownership interests (%)		Nature of business
		31 December 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, in Romania with the title of "Suwen Lingerie S.R.L." which was published in Official Gazette on 3 June 2019. As of 31 December 2024, 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.

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

*Full consolidation method (Continued)*

- 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 recognised in the statement of financial position 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.

**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 a material influence on the outcome of the current period or is expected to have a material influence 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 a material influence 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.

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

### 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 statement of financial position, 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**).
- 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.

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

**2.9. Summary of significant accounting policies (Continued)**

**Revenue recognition (Continued)**

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.

**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**).

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

**2.9. Summary of significant accounting policies (Continued)**

**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 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.

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

**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 statement of profit or loss 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, and
- d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

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.



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

Right-of-use asset (Continued)

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"**

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.

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 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.

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.

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

**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 3-15 years.

**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.

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

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

	31.12.2024	31.12.2024	31.12.2023	31.12.2023
	Buying	Selling	Buying	Selling
EUR/TL	36.7105	36.8576	32.5511	32.6815
USD/TL	35.2556	35.3969	29.4176	29.5355
GBP/TL	44.1763	44.5044	37.4155	37.6934

**Earnings per share**

Earnings per share disclosed in the statement of profit or loss 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, favourable and unfavourable, that occur between the end of the reporting period and the date when the consolidated financial statements are authorised for issue. The Group adjusts the amounts recognised in its 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.

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 recognised in the statement of profit or loss 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.

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

*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 statement of profit or loss. 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 "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.

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

### 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 December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC 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.

#### i) The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8. The Group is in the process of assessing the impact of the amendments on financial position or performance of the the Group.

##### Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

**Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments did not have a significant impact on the consolidated financial position or performance of the Group.

**ii) 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.

**Amendments to TFRS 10 and TAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will assess the effects of the amendments after the new standards have been finalized.

**TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA.

The amendments did not have a significant impact on the financial position or performance of the Group.

**Amendments to TAS 21 - Lack of exchangeability**

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**iii) The amendments which are effective immediately upon issuance**

**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. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. The amendments did not have a significant impact on the financial position or performance of the Group.

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

### iv) **The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

#### **Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments**

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the ‘settlement date’. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendments did not have a significant impact on the financial position or performance of the Group.

#### **Annual Improvements to IFRS Accounting Standards – Volume 11**

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

*IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter:* These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

*IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition:* The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.

*IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:* IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to ‘transaction price’.

*IFRS 10 Consolidated Financial Statements – Determination of a ‘De Facto Agent’:* The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.

*IAS 7 Statement of Cash Flows – Cost Method:* The amendments remove the term of “cost method” following the prior deletion of the definition of ‘cost method’.

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

#### **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

#### **IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements**

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

**IFRS 19 – Subsidiaries without Public Accountability: Disclosures**

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.

Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**NOTE 3 – BUSINESS COMBINATIONS**

As of 31 December 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**

As of 31 December 2024 and 31 December 2023, Suwen Tekstil has no interests in subsidiaries, joint arrangements, associates and unconsolidated “structured entities”.

**NOTE 5 – OPERATING SEGMENTS**

The Group manages its e-commerce and physical retail operations under a single operational segment due to the similarity of its products and services, the shared structure of its production processes, and its focus on the same customer base. Strategic decisions are made with an integrated approach covering all business lines, without any specific resource allocation. Decisions regarding the Group's activities are shaped in line with the regular reviews of the authorized body, which is the Board of Directors.

**NOTE 6 – CASH AND CASH EQUIVALENTS**

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
Cash on hand	490.749	1.657.227
Banks	209.577.141	243.890.306
- Time deposit (up to 3 months)	190.490.636	167.599.704
- Demand deposit	19.086.505	76.290.602
Other cash and cash equivalents (**)	18.755.340	20.060.902
<b>Total</b>	<b>228.823.230</b>	<b>265.608.435</b>
Interest accruals	(936.644)	(2.093.792)
<b>Cash and cash equivalents, net</b>	<b>227.886.586</b>	<b>263.514.643</b>

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

(\*) Includes credit card (“POS”) receivables.

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>31.12.2024</b>
TL	27.30-48.15%	0-1 month	189.553.992
<b>Total</b>			<b>189.553.992</b>



**NOTE 6 – CASH AND CASH EQUIVALENTS (Continued)**

**Time deposits**

Currency	Annual effective interest rate (%)	Effective maturity	31.12.2023
TL	20.00 - 42.00%	0-1 month	165.505.912
<b>Total</b>			<b>165.505.912</b>

**NOTE 7 – FINANCIAL INVESTMENTS**

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

**NOTE 8 - FINANCIAL LIABILITIES**

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

	31.12.2024	31.12.2023
Short-term borrowings	453.555.043	44.905.944
Short-term lease liabilities (TFRS 16)	223.922.813	187.704.991
Short-term portion of long-term borrowings	70.177.504	30.192.844
Other	1.242.004	363.848
<b>Total short-term borrowings, net</b>	<b>748.897.364</b>	<b>263.167.627</b>

	31.12.2024	31.12.2023
Long-term borrowings	34.529.501	14.442.554
Long-term lease liabilities (TFRS 16)	227.983.564	224.708.543
<b>Total long-term borrowings, net</b>	<b>262.513.065</b>	<b>239.151.097</b>

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

	31.12.2024	31.12.2023
0-3 months	228.128.787	45.269.791
4-12 months	296.845.764	30.192.845
1-5 years	34.529.501	14.442.553
<b>Total</b>	<b>559.504.052</b>	<b>89.905.189</b>

As of 31 December 2024 and 31 December 2023, the breakdown of annual effective interest rates of borrowings in terms of currencies is as follows:

Currency	Annual effective interest rate (%)	31 December 2024		
		Short-term	Long-term	Total
TL	59.95%	524.974.551	34.529.501	559.504.052
		<b>524.974.551</b>	<b>34.529.501</b>	<b>559.504.052</b>

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

Currency	Annual effective	Short-term	Long-term	31 December 2023
	interest rate (%)			Total
TL	22.29%	75.462.636	14.442.553	89.905.189
		<b>75.462.636</b>	<b>14.442.553</b>	<b>89.905.189</b>

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

	01.01-31.12.2024	01.01-31.12.2023
<b>Beginning of the period – 1 January</b>	<b>89.905.189</b>	<b>117.035.531</b>
Cash inflows from borrowings	805.327.921	189.942.258
Principal and interest payments	(317.041.036)	(170.263.995)
Interest accruals	8.946.801	(69.683)
Monetary gains/(losses)	(27.634.823)	(46.738.922)
<b>End of the period – 31 December</b>	<b>559.504.052</b>	<b>89.905.189</b>

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

	01.01-31.12.2024	01.01-31.12.2023
<b>Beginning of the period – 1 January</b>	<b>412.413.534</b>	<b>333.316.581</b>
Payments during the period (-)	(256.350.110)	(213.565.721)
Additions	505.491.701	497.622.374
Disposals (-)	(109.900.448)	(6.220.945)
Interest expenses (-)	71.346.939	45.047.735
Foreign exchange losses (-)	-	339.388
Monetary gains/(losses)	(171.095.239)	(244.125.878)
<b>End of the period – 31 December</b>	<b>451.906.377</b>	<b>412.413.534</b>

**NOTE 9 – OTHER FINANCIAL LIABILITIES**

None.

**NOTE 10 - TRADE RECEIVABLES AND PAYABLES**

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

<b>Trade receivables</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Trade receivables	58.190.590	47.905.809
Cheques and notes received	4.069.657	6.631.681
Doubtful trade receivables	2.970.340	651.805
Provision for doubtful trade receivables (-)	(2.970.340)	(651.805)
Due from related parties (Note 36)	47.780.091	7.085.651
<b>Short-term trade receivables, net</b>	<b>110.040.338</b>	<b>61.623.141</b>

Movements of provision for doubtful receivables are as follows:

	<b>01.01 - 31.12.2024</b>	<b>01.01 - 31.12.2023</b>
Beginning of the period – 1 January	651.805	1.073.998
Additions	2.518.886	-
Monetary gains/(losses)	(200.351)	(422.193)
<b>End of the period – 31 December</b>	<b>2.970.340</b>	<b>651.805</b>

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

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

<b>Trade payables</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Trade payables	79.002.876	58.545.490
Due to related parties (Note 36)	21.219.113	20.766.108
Notes payable	17.132.984	26.720.291
Notes payable due to related parties (Note 36)	40.002.085	85.769.996
<b>Short-term trade payables, net</b>	<b>157.357.058</b>	<b>191.801.885</b>

Libor interest rates were applied as the annual effective interest rate in the calculation of discount (31 December 2024 and 31 December 2023: 50.88% and 43.63%, respectively).

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

**NOTE 11 – OTHER RECEIVABLES AND PAYABLES**

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

<b>Short-term other receivables</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Due from tax Office	492.624	548.417
<b>Short-term other receivables, net</b>	<b>492.624</b>	<b>548.417</b>

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

**NOTE 11 – OTHER RECEIVABLES AND PAYABLES (Continued)**

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Long-term other receivables</b>		
Deposits and guarantees given	7.492.570	6.616.757
<b>Long-term other receivables, net</b>	<b>7.492.570</b>	<b>6.616.757</b>

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Short-term other payables</b>		
Deposits and guarantees received	1.978.200	1.179.628
<b>Short-term other payables, net</b>	<b>1.978.200</b>	<b>1.179.628</b>

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Long-term other payables</b>		
Deposits and guarantees received (*)	-	4.774.518
<b>Long-term other payables, net</b>	<b>-</b>	<b>4.774.518</b>

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

**NOTE 12 – DERIVATIVE INSTRUMENTS**

None.

**NOTE 13 – INVENTORIES**

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
Merchandise	1.169.661.497	712.088.548
Other inventories (*)	20.010.676	12.865.161
Provision for impairment on inventories (-)	(4.916.124)	(5.684.747)
<b>Total</b>	<b>1.184.756.049</b>	<b>719.268.962</b>

(\*) Includes materials such as hangers and mannequins.

**NOTE 13 – INVENTORIES (Continued)**

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

	<b>01.01 - 31.12.2024</b>	<b>01.01 - 31.12.2023</b>
Beginning of the period – 1 January	5.684.747	6.299.499
Additions	1.622.584	2.397.600
Monetary gains/(losses)	(2.391.207)	(3.012.352)
<b>End of the period – 31 December</b>	<b>4.916.124</b>	<b>5.684.747</b>

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

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Short-term prepaid expenses</b>		
Advances given to third parties	48.930.156	74.710.124
Other	38.421.344	18.006.181
<b>Short-term prepaid expenses, net</b>	<b>87.351.500</b>	<b>92.716.305</b>

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

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Short-term deferred income</b>		
Advances received	2.013.778	3.491.444
Short-term deferred income (*)	7.874.904	9.619.659
<b>Short-term deferred income, net</b>	<b>9.888.682</b>	<b>13.111.103</b>

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Long-term deferred income</b>		
Long-term deferred income (*)	1.968.726	9.843.630
<b>Long-term deferred income, net</b>	<b>1.968.726</b>	<b>9.843.630</b>

(\*) Represents bank promotions and premiums

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

None.

**NOTE 16 – INVESTMENT PROPERTIES**

None.

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

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

**31.12.2024**

	<b>1 January 2024</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Currency translation differences</b>	<b>31 December 2024</b>
<b>Cost</b>					
Plant, machinery and equipment	1.363.157	279.865	-	-	1.643.022
Motor vehicles	55.407.733	27.973.604	(47.582.141)	-	35.799.196
Furniture and fixtures	67.018.893	11.147.900	(809.141)	-	77.357.652
Leasehold improvements	417.101.910	107.668.725	(14.025.234)	2.195.067	512.940.468
<b>Total</b>	<b>540.891.693</b>	<b>147.070.094</b>	<b>(62.416.516)</b>	<b>2.195.067</b>	<b>627.740.338</b>
<b>Accumulated depreciation (-)</b>					
Plant, machinery and equipment	(943.699)	(124.557)	-	-	(1.068.256)
Motor vehicles	(6.058.682)	(7.977.044)	6.741.423	-	(7.294.303)
Furniture and fixtures	(38.585.983)	(10.265.127)	163.592	-	(48.687.518)
Leasehold improvements	(204.762.554)	(77.542.178)	5.696.507	(393.113)	(277.001.338)
<b>Total</b>	<b>(250.350.918)</b>	<b>(95.908.906)</b>	<b>12.601.522</b>	<b>(393.113)</b>	<b>(334.051.415)</b>
<b>Net book value</b>	<b>290.540.775</b>				<b>293.688.923</b>

**31.12.2023**

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Currency translation differences</b>	<b>31 December 2023</b>
<b>Cost</b>					
Plant, machinery and equipment	1.215.318	147.839	-	-	1.363.157
Motor vehicles	22.767.803	56.066.509	(23.426.579)	-	55.407.733
Furniture and fixtures	53.148.292	15.808.516	(1.937.915)	-	67.018.893
Leasehold improvements	305.738.718	117.112.437	(1.646.975)	(4.102.270)	417.101.910
<b>Total</b>	<b>382.870.131</b>	<b>189.135.301</b>	<b>(27.011.469)</b>	<b>(4.102.270)</b>	<b>540.891.693</b>
<b>Accumulated depreciation (-)</b>					
Plant, machinery and equipment	(877.729)	(65.970)	-	-	(943.699)
Motor vehicles	(966.009)	(6.422.072)	1.329.399	-	(6.058.682)
Furniture and fixtures	(29.989.504)	(8.897.741)	301.262	-	(38.585.983)
Leasehold improvements	(143.300.198)	(62.406.196)	1.646.975	(703.135)	(204.762.554)
<b>Total</b>	<b>(175.133.440)</b>	<b>(77.791.979)</b>	<b>3.277.636</b>	<b>(703.135)</b>	<b>(250.350.918)</b>
<b>Net book value</b>	<b>207.736.691</b>				<b>290.540.775</b>

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

As of 31 December 2024, total insurance coverage on property, plant and equipment is amounting to TL 1.517.221.420 (31 December 2023: TL 1.039.239.915).

**NOTE 18 – RIGHT OF USE ASSETS**

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

**31.12.2024**

	<b>1 January 2024</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Currency translation differences</b>	<b>31 December 2024</b>
Right of use assets	1.548.556.028	505.491.701	(304.333.221)	(14.370.488)	1.735.344.020
Depreciation and amortisation charges	(932.268.829)	(324.484.497)	194.432.774	4.096.699	(1.058.223.853)
<b>Net book value</b>	<b>616.287.199</b>				<b>677.120.167</b>

**31.12.2023**

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>Currency translation differences</b>	<b>31 December 2023</b>
Right of use assets	1.162.760.235	497.622.374	(92.215.524)	(19.611.057)	1.548.556.028
Depreciation and amortisation charges	(682.827.931)	(339.793.182)	85.994.579	4.357.705	(932.268.829)
<b>Net book value</b>	<b>479.932.304</b>				<b>616.287.199</b>

**NOTE 19 – INTANGIBLE ASSETS**

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

**31.12.2024**

	<b>1 January 2024</b>	<b>Additions</b>	<b>Disposals (-)</b>	<b>31 December 2024</b>
<b>Cost</b>				
Rights	74.291.354	10.930.880	-	85.222.234
<b>Total</b>	<b>74.291.354</b>	<b>10.930.880</b>	<b>-</b>	<b>85.222.234</b>
<b>Accumulated depreciation (-)</b>				
Rights	(34.060.110)	(21.410.276)	-	(55.470.386)
<b>Total</b>	<b>(34.060.110)</b>	<b>(21.410.276)</b>	<b>-</b>	<b>(55.470.386)</b>
<b>Net book value</b>	<b>40.231.244</b>			<b>29.751.848</b>

**NOTE 19 – INTANGIBLE ASSETS (Continued)**

**31.12.2023**

	1 January 2023	Additions	Disposals (-)	31 December 2023
<b>Cost</b>				
Rights	39.485.435	36.823.271	(2.017.352)	74.291.354
<b>Total</b>	<b>39.485.435</b>	<b>36.823.271</b>	<b>(2.017.352)</b>	<b>74.291.354</b>
<b>Accumulated depreciation (-)</b>				
Rights	(17.837.007)	(17.343.846)	1.120.743	(34.060.110)
<b>Total</b>	<b>(17.837.007)</b>	<b>(17.343.846)</b>	<b>1.120.743</b>	<b>(34.060.110)</b>
<b>Net book value</b>	<b>21.648.428</b>			<b>40.231.244</b>

**Goodwill**

None.

**NOTE 20 – EMPLOYEE BENEFITS**

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

	31.12.2024	31.12.2023
Due to employees	37.769.851	37.793.985
Social security premiums payable	17.218.012	26.836.717
<b>Total</b>	<b>54.987.863</b>	<b>64.630.702</b>

**NOTE 21 – SHORT-TERM PROVISIONS**

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

	31.12.2024	31.12.2023
<b>Short-term provisions</b>		
Provision for unused vacation	7.860.373	4.972.969
Other short-term provisions	6.481.281	5.068.808
<b>Short-term provisions, net</b>	<b>14.341.654</b>	<b>10.041.777</b>

The movement of provision for unused vacation is as follows:

	01.01 - 31.12.2024	01.01 - 31.12.2023
Beginning of the period – 1 January	4.972.969	5.863.350
Additions	4.415.982	1.414.524
Monetary gains/(losses)	(1.528.578)	(2.304.905)
<b>End of the period – 31 December</b>	<b>7.860.373</b>	<b>4.972.969</b>



**NOTE 21 – SHORT-TERM PROVISIONS (Continued)**

<b>Other short-term provisions</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Provision for lawsuits (*)	581.098	1.082.936
Provision for price revision	2.222.807	2.411.622
Provision for sales returns	3.677.376	1.574.250
<b>Other short-term provisions, net</b>	<b>6.481.281</b>	<b>5.068.808</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 – 1 January 2024	1.082.936	2.411.622	1.574.250	5.068.808
Additions	-	2.964.085	4.161.265	7.125.350
Reversals (-)	(192.203)	(2.411.622)	(1.574.250)	(4.178.075)
Monetary gains/(losses)	(309.635)	(741.278)	(483.889)	(1.534.802)
<b>End of the period – 31 December 2024</b>	<b>581.098</b>	<b>2.222.807</b>	<b>3.677.376</b>	<b>6.481.281</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 January 2023	2.225.965	4.096.664	1.228.498	7.551.127
Additions	-	4.022.038	2.057.178	6.079.216
Reversals (-)	(334.675)	(4.096.664)	(1.228.499)	(5.659.838)
Monetary gains/(losses)	(808.354)	(1.610.416)	(482.927)	(2.901.697)
<b>End of the period – 31 December 2023</b>	<b>1.082.936</b>	<b>2.411.622</b>	<b>1.574.250</b>	<b>5.068.808</b>

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

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

	Curren cy	31 December 2024		31 December 2023	
		Original currency amount	TL equivalent	Original currency amount	TL equivalent
Letter of guarantee	TL	1.500.000	1.500.000	1.371.598	1.371.598
Letter of guarantee	USD	100.000	3.539.690	100.000	2.953.550
Letter of guarantee	EUR	140.000	5.160.064	120.000	3.921.780
<b>Guarantees received, net</b>			<b>10.199.754</b>		<b>8.246.928</b>

*ii) Total mortgages and guarantees on assets*

None.

**NOTE 21 – SHORT-TERM PROVISIONS (Continued)**

*iii) Ratio of guarantees and mortgages to equity*

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

	31 December 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	TL	169.261.151	169.261.151	102.739.754	102.739.754
	USD	100.000	3.539.690	218.000	6.438.739
	EUR	34.500	1.271.587	55.286	1.806.829
B. Total amount of CPM’s given on behalf of the fully consolidated subsidiaries		-	-	-	-
C. Total amount of CPM’s given on behalf of third parties for ordinary course of business		-	-	-	-
D. Total amount of other CPM’s given		-	-	-	-
<b>Total</b>			<b>174.072.428</b>		<b>110.985.322</b>

**NOTE 22 – COMMITMENTS**

None.

**NOTE 23 – LONG-TERM PROVISIONS**

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

**Provision for employment termination benefits**

Long-term provisions	31.12.2024	31.12.2023
Provision for employment termination benefits	6.181.734	6.113.565
<b>Total</b>	<b>6.181.734</b>	<b>6.113.565</b>

**NOTE 23 – LONG-TERM PROVISIONS (Continued)**

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 December 2024, the amount payable consists of one month's salary limited to a maximum of TL 41.828,42 (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 December 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 December 2024, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 22% and an interest rate of 27.41%, resulting in a discount rate of 4.10% (31 December 2023: 2.46%).

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

	<b>01.01 - 31.12.2024</b>	<b>01.01 - 31.12.2023</b>
Beginning of the period – 1 January	6.113.565	3.226.920
Service cost	1.432.587	1.496.196
Interest cost	935.880	515.658
Actuarial losses	1.197.087	3.560.239
Loss on remeasurements of defined benefit plans	12.322.109	6.367.108
Payments during the period (-)	(13.672.545)	(6.750.170)
Monetary gains/(losses)	(2.146.949)	(2.302.386)
<b>End of the period – 31 December</b>	<b>6.181.734</b>	<b>6.113.565</b>

**NOTE 24 – TAX ASSETS AND LIABILITIES**

None.

**NOTE 25 – OTHER ASSETS AND LIABILITIES**

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

<b>Other current assets</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Deferred VAT	9.848.102	10.850.788
Advances given to employees	4.061.972	747.111
Other	2.171.173	9.604.492
<b>Other current assets, net</b>	<b>16.081.247</b>	<b>21.202.391</b>

**NOTE 25 – OTHER ASSETS AND LIABILITIES (Continued)**

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

<b>Other current liabilities</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Taxes, duties and charges	12.425.564	16.557.469
Expense accruals	1.427.579	904.286
Other	2.787.719	4.214.857
<b>Other current liabilities, net</b>	<b>16.640.862</b>	<b>21.676.612</b>

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

**NOTE 26 – EQUITY**

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

<b>Shareholders</b>	<b>31.12.2024</b>		<b>31.12.2023</b>	
	<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>	<b>Share (%)</b>
Intilux SARL	-	0,00%	31.675.000	14,14%
Özcan Sümer	23.572.006	10,52%	13.942.794	6,22%
Birol Sümer	23.409.164	10,45%	33.034.156	14,75%
Ali Bolluk	23.241.664	10,38%	23.241.664	10,38%
Çiğdem Ferda Arslan	8.113.048	3,62%	8.113.048	3,62%
Other	145.664.118	65,03%	113.993.338	50,89%
<b>Total paid-in share capital</b>	<b>224.000.000</b>	<b>100,00%</b>	<b>224.000.000</b>	<b>100,00%</b>

The Board of Directors, in its meeting dated December 26, 2024, resolved to increase the issued capital by TRY 336,000,000 (at a rate of 150%) entirely from internal resources, raising it from TRY 224,000,000 to TRY 560,000,000. In this context, an application has been submitted to the Capital Markets Board for the approval of the issuance certificate, and as of the report date, the Board's approval is pending.

*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. As of 31 December 2024 and 31 December 2023, the details of the restricted reserves are as follows:

	<b>31.12.2024</b>	<b>31.12.2023</b>
Legal reserves	52.412.260	31.044.339
Treasury shares (*)	113.566.994	7.932.762
<b>Total</b>	<b>165.979.254</b>	<b>38.977.101</b>

**NOTE 26 – EQUITY (Continued)**

(\*) 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 113.566.994 including transaction costs has been allocated for the treasury shares for the period ended 31 December 2024.

*iii) Retained earnings*

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
Retained earnings	302.336.724	214.757.666
<b>Total</b>	<b>302.336.724</b>	<b>214.757.666</b>

*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 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 113.566.994. (31.12.2023: TL 793.762)

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
Treasury shares	(113.566.994)	(7.932.762)
<b>Total</b>	<b>(113.566.994)</b>	<b>(7.932.762)</b>

*v) Share premium*

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

	<b>31.12.2024</b>	<b>31.12.2023</b>
Share Premium	140.335.379	140.335.379
<b>Total</b>	<b>140.335.379</b>	<b>140.335.379</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 December 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:

	<b>31.12.2024</b>	<b>31.12.2023</b>
Currency translation differences	(14.725.359)	(11.276.417)
<b>Total</b>	<b>(14.725.359)</b>	<b>(11.276.417)</b>

**NOTE 26 – EQUITY (Continued)**

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

As of 31 December 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:

	31.12.2024	31.12.2023
Gains/(losses) on remeasurements of defined benefit plans	(5.084.760)	(4.163.003)
<b>Total</b>	<b>(5.084.760)</b>	<b>(4.163.003)</b>

**NOTE 27 – REVENUE AND COST OF SALES**

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

	01.01.- 31.12.2024	01.01.- 31.12.2023
Domestic sales	4.414.123.084	3.658.480.105
Foreign sales	109.110.546	105.251.075
Sales returns (-)	(100.184.722)	(90.491.741)
Other discounts (-)	(64.936.091)	(58.667.665)
<b>Total</b>	<b>4.358.112.817</b>	<b>3.614.571.774</b>

	01.01.- 31.12.2024	01.01. - 31.12.2023
Cost of merchandise sold	(2.036.418.498)	(1.741.111.901)
<b>Total</b>	<b>(2.036.418.498)</b>	<b>(1.741.111.901)</b>

As of 31 December 2024, the Group has gross profit amounting to TL 2.321.694.319 (31 December 2023: TL 1.873.459.873).

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

Account Name	01.01.- 31.12.2024	01.01. - 31.12.2023
Retail Sales	3.692.580.620	3.121.912.060
E-Commerce Sales	601.357.789	428.804.335
Wholesales	33.757.912	36.146.352
Dealer Sales	30.416.496	27.709.027
<b>Sales revenue, net</b>	<b>4.358.112.817</b>	<b>3.614.571.774</b>

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

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

	<b>01.01.- 31.12.2024</b>	<b>01.07.- 31.12.2023</b>
Marketing, sales and distribution expenses (-)	(1.625.430.984)	(1.400.904.492)
General administrative expenses (-)	(162.922.096)	(118.928.295)
<b>Total operating expenses (-)</b>	<b>(1.788.353.080)</b>	<b>(1.519.832.787)</b>

**NOTE 29 – EXPENSES BY NATURE**

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

	<b>01.01.- 31.12.2024</b>	<b>01.01. - 31.12.2023</b>
<b>Marketing, sales and distribution expenses (-)</b>		
Personnel expenses	(732.657.542)	(583.952.676)
Depreciation and amortisation charges	(429.630.244)	(419.478.520)
Rent expenses	(146.990.433)	(122.117.124)
Advertisement and promotion expenses	(101.204.691)	(94.268.410)
Transportation and freight costs	(76.296.893)	(56.993.971)
Common costs	(44.271.661)	(40.207.147)
Consultancy expenses	(31.120.278)	(26.063.974)
Travel and accommodation expenses	(16.568.899)	(11.319.498)
Packaging costs	(14.642.859)	(15.630.777)
Insurance, maintenance and repair expenses	(11.268.654)	(11.763.476)
Taxes, duties and charges	(5.546.066)	(4.453.453)
Other	(15.232.764)	(14.655.466)
<b>Marketing, sales and distribution expenses, net (-)</b>	<b>(1.625.430.984)</b>	<b>(1.400.904.492)</b>

	<b>01.01.- 31.12.2024</b>	<b>01.01.- 31.12.2023</b>
<b>General administrative expenses (-)</b>		
Personnel expenses	(115.852.284)	(82.789.678)
Consultancy expenses	(20.541.447)	(10.911.756)
Depreciation and amortisation charges	(12.173.435)	(15.450.487)
Common costs	(2.908.958)	(1.698.526)
Insurance, maintenance and repair expenses	(2.474.467)	(1.084.739)
Advertisement and promotion expenses	(1.876.683)	(529.772)
Travel and accommodation expenses	(1.700.633)	(2.122.080)
Transportation and freight costs	(892.898)	(520.652)
Taxes, duties and charges	(703.166)	(1.878.085)
Packaging costs	(121.297)	(42.405)
Other	(3.676.828)	(1.900.115)
<b>General administrative expenses, net (-)</b>	<b>(162.922.096)</b>	<b>(118.928.295)</b>

**NOTE 29 – EXPENSES BY NATURE (Continued)**

	01.01.- 31.12.2024	01.01.- 31.12.2023
<b>Depreciation and amortisation charges</b>		
Marketing, sales and distribution expenses (-)	(429.630.244)	(419.478.520)
General administrative expenses (-)	(12.173.435)	(15.450.487)
<b>Depreciation and amortisation charges, net</b>	<b>(441.803.679)</b>	<b>(434.929.007)</b>

	01.01.- 31.12.2024	01.01.- 31.12.2023
<b>Personnel expenses</b>		
Marketing, sales and distribution expenses (-)	(732.657.542)	(583.952.676)
General administrative expenses (-)	(115.852.284)	(82.789.678)
<b>Personnel expenses, net</b>	<b>(848.509.826)</b>	<b>(666.742.354)</b>

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

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

	01.01.- 31.12.2024	01.01.- 31.12.2023
<b>Other operating income</b>		
Foreign exchange gains	30.550.526	55.154.422
Discount income	8.779.629	8.800.264
Reversals of provisions	192.203	201.312
Interest income	17.151.988	20.324.382
Income from incentives	646.344	9.716.288
Income from insurance compensations and claims	2.139.538	2.675.714
Income from bank promotion and bonuses	6.500.055	4.971.766
Other	4.656.113	5.076.953
<b>Toplam</b>	<b>70.616.396</b>	<b>106.921.101</b>



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

	<b>01.01.-</b>	<b>01.01. -</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Other operating expenses (-)</b>		
Interest expenses	(88.501.015)	(72.462.368)
Discount expenses	(7.088.835)	(8.738.482)
Foreign exchange losses	(7.928.536)	(10.062.077)
Provision for doubtful trade receivables	(2.518.886)	-
Delay and interest fees and charges	(1.699.001)	(24.706.682)
Grants and donations	(1.972.602)	(3.515.560)
Other	(1.198.739)	(6.618.867)
<b>Other operating expenses, net (-)</b>	<b>(110.907.614)</b>	<b>(126.104.036)</b>

*Independent Audit and Independent Auditor's Fee*

Fees related to the services received from the independent auditor/independent audit firm have been prepared in accordance with the Board Decision of the Group, Public Oversight Accounting and Auditing Standards Authority ("POA") published in the Official Gazette on 30 March 2021. The explanation of the fees for the services provided by the independent audit firms, the preparation principles of which are based on the POA letter dated 19 August 2021, is as follows:

	<b>01.01.-</b>	<b>01.01.-</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
Independent auditor's fee	1.100.000	909.586
Tax service's fee	606.000	620.943
Other service's fee	150.000	38.982
<b>Net</b>	<b>1.856.000</b>	<b>1.569.511</b>

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

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

	<b>01.01.-</b>	<b>01.00.-</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Gains from investment activities</b>		
Gain on sale of non-current assets	6.580.121	198.305
<b>Gains from investment activities, net</b>	<b>6.580.121</b>	<b>198.305</b>

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

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

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

	<b>01.01.- 31.12.2024</b>	<b>01.01.- 31.12.2023</b>
<b>Financial income</b>		
Foreign exchange gains	740.750	3.468.896
Interest income	66.440.390	35.772.165
<b>Financial income, net</b>	<b>67.181.140</b>	<b>39.241.061</b>
<b>Financial expenses (-)</b>	<b>01.01.- 31.12.2024</b>	<b>01.01. - 31.12.2023</b>
Foreign exchange losses	(3.928.093)	(2.893.746)
Expenses from finance leases	(71.346.939)	(45.047.735)
Interest expenses	(170.687.151)	(28.412.820)
Commission expenses	(201.615.024)	(96.136.223)
Other	-	(339.388)
<b>Financial expenses, net (-)</b>	<b>(447.577.207)</b>	<b>(172.829.912)</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>31.12.2024</b>	<b>31.12.2023</b>
Current period tax expense (-)	74.257.503	148.113.604
Additional corporate tax	-	21.833.086
Prepaid taxes (-)	(64.014.386)	(139.840.706)
<b>Total tax income/(expense) – Current income tax liability, net</b>	<b>10.243.117</b>	<b>30.105.984</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%, 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.

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 numbered 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.

**NOTE 34 – INCOME TAXES (Continued)**

As of 31 December 2024, the domestic corporate tax rate applied in Romania is 16%. However, the corporate tax rate to be applied due to the grants and incentives of 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>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</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	(6.181.734)	(6.113.565)	1.421.799	1.406.120
Provision for unused vacation	(7.860.373)	(4.972.969)	1.807.886	1.143.783
Right of use assets	194.342.828	161.697.628	(44.705.161)	(37.506.525)
Trade and other receivables	(1.870.035)	(1.670.613)	430.108	384.241
Provision for sales returns	(2.090.591)	(1.185.766)	480.836	272.726
Trade payables	5.313.305	6.666.384	(1.873.171)	(1.880.191)
Inventories	167.306.052	53.250.346	(38.480.392)	(12.248.188)
Property, plant and equipment and intangible assets	54.249.553	62.134.161	(12.477.397)	(14.290.857)
Borrowings	(2.061.997)	(2.336.806)	474.259	537.465
Provision for lawsuits	(581.098)	(1.082.935)	133.653	249.075
Provision for price revisions	(2.222.807)	(2.411.622)	511.246	554.673
Other	4.296.898	3.082.325	(1.079.950)	(741.637)
<b>Deferred tax assets/(liabilities), net</b>			<b>(93.356.284)</b>	<b>(62.119.315)</b>

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

	<b>01.01 –</b>	<b>01.01 –</b>
	<b>31.12.2024</b>	<b>31.12.2023</b>
Beginning of the period - 1 January	(62.119.315)	(27.060.773)
Defined benefit plans, deferred tax effect	275.330	818.854
Deferred income tax during the period	(31.512.299)	(35.877.396)
<b>End of the period – 31 December</b>	<b>(93.356.284)</b>	<b>(62.119.315)</b>

**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 December 2024 and 2023, which is as follows:

<b>Earnings per share</b>	<b>01.01.- 31.12.2024</b>	<b>01.01. - 31.12.2023</b>
Profit for the period	232.318.377	276.576.953
Profit attributable to equity holders of the parent	232.318.377	276.576.953
Weighted average number of shares with nominal value of TL 1 each	224.000.000	145.753.425
<b>Earnings per share (TL)</b>	<b>1,0371</b>	<b>1,8976</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>31.12.2024</b>	<b>31.12.2023</b>
Eko Tekstil San. ve Tic A.Ş.	47.780.091	7.085.651
<b>Total</b>	<b>47.780.091</b>	<b>7.085.651</b>
<b>Trade payables due to related parties (short-term)</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Latte Tekstil Sanayi ve Ticaret A.Ş.	-	34.686.313
Livadi Tekstil İth. İhr. Tic. A.Ş.	-	1.652.882
Eko Tekstil San. ve Tic. A.Ş.	40.643.009	11.690.878
Elmas Çamaşır İth. İhr. Tic. A.Ş.	13.025.107	36.927.140
Moni Tekstil Sanayi Ticaret A.Ş.	-	12.978.171
Aseyya Tekstil	7.545.665	8.576.599
Netcad Yazılım A.Ş.	7.417	24.121
<b>Total</b>	<b>61.221.198</b>	<b>106.536.104</b>

**NOTE 36 - RELATED PARTY DISCLOSURES(Continued)**

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

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

**Purchases**

<b>01.01 - 31.12.2024</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.	1.375.976.216	1.699.001	161.918	-	1.377.837.135
Elmas Çamaşır İth. İhr. Tic. A.Ş.	330.851.063	-	-	-	330.851.063
Latte Tekstil Sanayi ve Ticaret A.Ş.	1.937.388	-	-	-	1.937.388
Moni Tekstil Sanayi Ticaret A.Ş.	122.550.089	-	-	-	122.550.089
Aseyya Tekstil	91.793.666	-	-	-	91.793.666
Livadi Tekstil İth. İhr. Tic. A.Ş.	209.389.872	-	-	-	209.389.872
Netcad Yazılım A.Ş.	-	-	-	288.612	288.612
<b>Total</b>	<b>2.132.498.294</b>	<b>1.699.001</b>	<b>161.918</b>	<b>288.612</b>	<b>2.134.647.825</b>

**Purchases**

<b>01.01 - 31.12.2023</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.	619.013.004	564.021	-	554.127	620.131.152
Elmas Çamaşır İth. İhr. Tic. A.Ş.	289.085.515	-	-	1.545.663	290.631.178
Latte Tekstil Sanayi ve Ticaret A.Ş.	272.457.887	-	-	3.481	272.461.368
Moni Tekstil Sanayi Ticaret A.Ş.	152.230.993	-	-	-	152.230.993
Aseyya Tekstil	73.418.698	-	-	1.629	73.420.327
Livadi Tekstil İth. İhr. Tic. A.Ş.	46.227.874	-	-	-	46.227.874
Netcad Yazılım A.Ş.	-	-	-	-	-
<b>Total</b>	<b>1.452.433.971</b>	<b>564.021</b>	<b>-</b>	<b>2.104.900</b>	<b>1.455.102.892</b>

**Sales**

<b>01.01 - 31.12.2024</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.	-	-	424.809	-	424.809
Elmas Çamaşır İth. İhr. Tic. A.Ş.	-	-	1.099.383	-	1.099.383
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.524.192</b>	<b>-</b>	<b>1.524.192</b>

**NOTE 36 - RELATED PARTY DISCLOSURES(Continued)**

	<b>01.01 - 31.12.2023</b>			
<b>Related parties</b>	<b>Goods</b>	<b>Financial transactions</b>	<b>Other Services</b>	<b>Total</b>
Eko Tekstil San. Ve Tic A.Ş.	-	-	417.757	417.757
Netcad Yazılım A.Ş.	-	-	813.981	813.981
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.231.738</b>	<b>1.231.738</b>

**Key management compensation**

Total key management compensation incurred by Suwen Tekstil for the period ended 31 December 2024 amounted to TL 32.320.537 (31 December 2023: TL 23.476.090).

**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 December 2024 and 31 December 2023.

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

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

	31 December 2024				31 December 2023			
	TL equivalent	EUR	USD	GBP	TL equivalent	EUR	USD	GBP
1. Trade Receivables	84.493.826	2.300.965	251	-	53.330.879	1.611.939	29.251	-
2a. Monetary Financial Assets	49.769.377	34.263	1.378.214	-	67.049.990	2.286	2.276.718	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
<b>4. Total Current Assets (1+2+3)</b>	<b>134.263.203</b>	<b>2.335.228</b>	<b>1.378.465</b>	-	<b>120.380.869</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	1.487.118	2.300	39.850	-	1.243.085	1.000	41.150	-
<b>8. Total Non-Current Assets (5+6+7)</b>	<b>1.487.118</b>	<b>2.300</b>	<b>39.850</b>	-	<b>1.243.085</b>	<b>1.000</b>	<b>41.150</b>	-
<b>9. Total Assets (4+8)</b>	<b>135.750.321</b>	<b>2.337.528</b>	<b>1.418.315</b>	-	<b>121.623.954</b>	<b>1.615.225</b>	<b>2.347.119</b>	-
10. Trade Payables	2.839.042	57.102	10.422	8.210	1.238.203	28.418	-	8.210
11. Financial Liabilities	-	-	-	-	1.476.775	-	50.000	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
<b>13. Total Current Liabilities (10+11+12)</b>	<b>2.839.042</b>	<b>57.102</b>	<b>10.422</b>	<b>8.210</b>	<b>2.714.978</b>	<b>28.418</b>	<b>50.000</b>	<b>8.210</b>
14. Trade Payables	-	-	-	-	3.306.939	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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.306.939</b>	<b>56.000</b>	<b>50.000</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>2.839.042</b>	<b>57.102</b>	<b>10.422</b>	<b>8.210</b>	<b>6.021.917</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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Total Asset Amount of Hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Total Liabilities Amount of Hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)</b>	<b>132.911.279</b>	<b>2.280.426</b>	<b>1.407.893</b>	<b>(8.210)</b>	<b>115.602.037</b>	<b>1.530.807</b>	<b>2.247.119</b>	<b>(8.210)</b>
<b>22. Export</b>	<b>11.496.077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.395.662</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Import</b>	<b>171.752.646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.714.453</b>	<b>-</b>	<b>-</b>	<b>-</b>



SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 JANUARY – 31 DECEMBER 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 December 2024 and 31 December 2023 for the changes at the rate of 10%:

Exchange rate sensitivity analysis		
31 December 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	4.955.455	(4.955.455)
2- Hedged portion of USD Risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>4.955.455</b>	<b>(4.955.455)</b>
<b>Change in EUR against TL by 10%</b>		
4- EUR Net Asset/Liability	8.372.243	(8.372.243)
5- Hedged portion of EUR Risk (-)	-	-
<b>6- EUR Net Effect (4+5)</b>	<b>8.372.243</b>	<b>(8.372.243)</b>
<b>Change in GBP against TL by 10%</b>		
7- GBP Net Asset/Liability	(36.570)	36.570
8- Hedged portion of GBP Risk (-)	-	-
<b>9- GBP Net Effect (7+8)</b>	<b>(36.570)</b>	<b>36.570</b>
<b>Total (3+6+9)</b>	<b>13.291.128</b>	<b>(13.291.128)</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 YEAR ENDED 1 JANUARY – 31 DECEMBER 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.

The exposure of consolidated financial assets to credit risk is as follows:

31 December 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>47.780.091</b>	<b>62.260.247</b>	<b>-</b>	<b>7.985.194</b>	<b>209.577.141</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>47.780.091</b>	<b>62.260.247</b>	<b>-</b>	<b>7.985.194</b>	<b>209.577.141</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>2.970.340</b>	-	-	-	-	-
Impairment (-)	-	<b>(2.970.340)</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 YEAR ENDED 1 JANUARY – 31 DECEMBER 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			
<b>Maximum exposure to credit risk as of reporting date (A+B+C+D)</b>	<b>7.085.651</b>	<b>54.537.490</b>	-	<b>7.165.174</b>	<b>243.890.306</b>	-	-
- Maximum risk secured with guarantees and collaterals	-	-	-	-	-	-	-
<b>A. Net book value of neither past due nor impaired financial assets</b>	<b>7.085.651</b>	<b>54.537.490</b>	-	<b>7.165.174</b>	<b>243.890.306</b>	-	-
<b>B. Net book value of past due but not impaired financial assets</b>	-	-	-	-	-	-	-
<b>C. Net book value of impaired assets</b>	-	-	-	-	-	-	-
Past due (gross book value)	-	<b>651.805</b>	-	-	-	-	-
Impairment (-)	-	<b>(651.805)</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>	-	-	-	-	-	-	-

**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 December 2024 and 31 December 2023 are as follows:

<b>Non-derivative financial liabilities</b>					
	Carrying value	Total contractual cash outflows (I+II+III)	Demand or up to 3 months (I)	3-12 months (II)	1-8 years (III)
<b>31.12.2024</b>					
Borrowings	559.504.052	688.978.268	236.837.182	385.350.836	66.790.251
Trade payables	157.357.058	163.734.130	162.440.130	1.294.000	-
Lease liabilities	451.906.377	754.441.518	67.684.698	174.030.974	512.725.846
	<b>1.168.767.487</b>	<b>1.607.153.916</b>	<b>466.962.010</b>	<b>560.675.810</b>	<b>579.516.097</b>

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 JANUARY – 31 DECEMBER 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	89.905.190	106.150.524	49.371.912	35.295.553	21.483.059
Trade payables	191.801.885	199.329.945	193.757.754	5.572.190	-
Lease liabilities	412.413.534	544.892.925	67.152.024	150.656.795	327.084.106
	<b>694.120.609</b>	<b>850.373.394</b>	<b>310.281.690</b>	<b>191.524.538</b>	<b>348.567.165</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 December 2024 and 31 December 2023, interest position of Suwen Tekstil is as follows:

Interest position statement	31.12.2024	31.12.2023
-----------------------------	------------	------------

**Fixed-interest rate financial instruments**

Financial assets	189.553.992	165.505.912
Financial liabilities	1.011.410.429	502.318.724
- Borrowings	559.504.052	89.905.190
- Lease liabilities	451.906.377	412.413.534

As of 31 December 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.

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

SUWEN TEKSTİL SANAYİ PAZARLAMA ANONİM ŞİRKETİ

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

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

Capital risk management (continued)

	31.12.2024	31.12.2023
Borrowings (except for TFRS 16)	559.504.052	89.905.190
Total borrowings	1.011.410.429	502.318.724
Less: Cash and cash equivalents	228.823.230	265.608.435
Net financial debt	782.587.199	236.710.289
Invested capital	1.257.243.887	1.196.926.183
<b>Net financial debt/invested capital ratio</b>	<b>62,25%</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 YEAR ENDED 1 JANUARY – 31 DECEMBER 2024

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

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

		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>31.12.2024</b>	<b>Notes</b>						
<b>Financial Assets</b>		<b>228.823.230</b>	<b>110.040.338</b>	<b>-</b>	<b>-</b>	<b>338.863.568</b>	<b>338.863.568</b>
Cash and Cash Equivalents	6	228.823.230	-	-	-	228.823.230	228.823.230
Trade Receivables	10	-	110.040.338	-	-	110.040.338	110.040.338
Financial Investments		-	-	-	-	-	-
<b>Financial Liabilities</b>		<b>-</b>	<b>157.357.058</b>	<b>-</b>	<b>1.011.410.429</b>	<b>1.168.767.487</b>	<b>1.168.767.487</b>
Financial Liabilities	8	-	-	-	1.011.410.429	1.011.410.429	1.011.410.429
<i>Borrowings</i>	8	-	-	-	559.504.052	559.504.052	559.504.052
<i>Lease liabilities</i>	8	-	-	-	451.906.377	451.906.377	451.906.377
Other Financial Liabilities	9	-	-	-	-	-	-
Trade Payables	10	-	157.357.058	-	-	157.357.058	157.357.058
<b>31.12.2023</b>							
<b>Financial Assets</b>		<b>265.608.435</b>	<b>61.623.141</b>	<b>-</b>	<b>-</b>	<b>327.231.576</b>	<b>327.231.576</b>
Cash and Cash Equivalents	6	265.608.435	-	-	-	265.608.435	265.608.435
Trade Receivables	10	-	61.623.141	-	-	61.623.141	61.623.141
Financial Investments		-	-	-	-	-	-
<b>Financial Liabilities</b>		<b>-</b>	<b>191.801.885</b>	<b>-</b>	<b>502.318.724</b>	<b>694.120.609</b>	<b>694.120.609</b>
Financial Liabilities	8	-	-	-	502.318.724	502.318.724	502.318.724
<i>Borrowings</i>	8	-	-	-	89.905.190	89.905.190	89.905.190
<i>Lease liabilities</i>	8	-	-	-	412.413.534	412.413.534	412.413.534
Other Financial Liabilities	9	-	-	-	-	-	-
Trade Payables	10	-	191.801.885	-	-	191.801.885	191.801.885

**NOTE 39 – MONETARY GAIN / LOSS**

As of December 31, 2024, pursuant to TMS 29, the details of the Group's net monetary position gains/(losses) are as follows:

	<b>31.12.2024</b>
<b>Statement of Financial Position Items</b>	<b>(197.762.374)</b>
Inventories	86.225.339
Property, Plant & Equipment	36.640.766
Intangible Assets	3.337.986
Right of use Assets	50.922.151
Deferred Income	(1.384.932)
Paid-in Capital	(168.950.377)
Treasury Shares	6.606.669
Share Premiums	(43.135.925)
Other Assets and Liabilities	(12.404.988)
Other Equity Items	(155.619.063)
<b>Statement of Profit or Loss Items</b>	<b>416.616.477</b>
Revenue	(475.916.894)
Cost of Sales	495.545.667
Operational Expenses	374.997.076
Finance Income / Expenses	31.217.765
Other Operating Income / Expenses	(2.977.733)
Income from Investing Activities	(6.366.242)
Deferred Tax Income / Expense	116.838
<b>Net Monetary Position Gains/(Losses)</b>	<b>218.854.104</b>

**NOTE 40 – EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors, in its meeting dated December 26, 2024, resolved to increase the issued capital by TRY 336,000,000 (at a rate of 150%) entirely from internal resources, raising it from TRY 224,000,000 to TRY 560,000,000. In this context, an application has been submitted to the Capital Markets Board for the approval of the issuance certificate, and as of the report date, the Board's approval is pending.

**NOTE 41 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE**

None.