

**LİLA KAĞIT SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARY**

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
31 MARCH 2025

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REVIEW
REPORT AND THE FINANCIAL
STATEMENTS ORIGINALLY ISSUED
IN TURKISH)**

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LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

		US Dollars (*) Current Period 31 March 2025	Unaudited Current Period 31 March 2025	Audited Prior Period 31 December 2024
ASSETS	Note			
Current Assets				
Cash and cash equivalents	26	126,530	4,778,487	6,175,965
Financial assets		1,890	71,389	65,080
Trade Receivables	5	76,835	2,901,712	2,695,663
-Trade receivables from third party		76,835	2,901,712	2,695,663
Other Receivables		826	31,196	12,248
- Other receivables from third party		826	31,196	12,248
Inventory	6	50,600	1,910,930	1,709,089
Derivatives	21	-	-	4,753
Prepaid Expenses	7	19,964	753,963	88,862
- Prepaid expenses from third parties		19,964	753,963	88,862
Assets related to current tax	19	278	10,492	66,868
Other current assets	14	158	5,952	58,427
Total Current Assets		277,081	10,464,121	10,876,955
Non-Current Assets				
Other Receivables		258	9,741	8,570
- Other current assets from third party		258	9,741	8,570
Property, plant and equipment	8	157,293	5,940,252	6,063,952
Intangible assets	9	970	36,637	35,546
Rights of use assets	10	3,223	121,711	143,241
Prepaid expenses	7	5,957	224,984	66,048
Total Non-Current Assets		167,701	6,333,325	6,317,357
TOTAL ASSETS		444,782	16,797,446	17,194,312

(*)US Dollar ("USD") amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") effective as of 31 March 2025.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

		US Dollars (*) Current Period 31 March 2025	Unaudited Current Period 31 March 2025	Audited Prior Period 31 December 2024
LIABILITIES	Note			
Short-Term Liabilities				
Short-term borrowings	22	23,971	905,286	1,443,577
- Bank borrowings		23,542	889,092	1,419,867
- Lease liabilities		429	16,194	23,710
Current portion of long-term borrowings	22	23,417	884,364	523,805
Trade payables	5	21,972	829,803	771,980
- Trade payables to third parties		21,972	829,803	771,980
Payables related to employee benefits	13	3,627	136,972	115,179
Payables to shareholders		23,434	885,004	-
- Other payables to related parties	4	23,434	885,004	-
Derivatives	21	369	13,947	-
Deferred income	7	7,840	296,075	128,010
Short term provisions	11	1,054	39,822	33,491
- Short term provisions for employee benefits		715	27,018	20,669
- Other short term provisions		339	12,804	12,822
Other current liabilities	14	750	28,337	55,380
Payables related to current tax	19	2,800	105,725	-
Total Short-Term Liabilities		109,234	4,125,335	3,071,422
Long-Term Liabilities				
Long-term borrowings	22	3,995	150,897	646,376
- Bank borrowings		3,177	120,000	610,480
- Lease liabilities		818	30,897	35,896
Deferred tax liabilities	19	6,109	230,714	284,673
Long term provisions	13	2,602	98,267	105,018
- Long term provisions for employee benefits		2,602	98,267	105,018
Total Long-Term Liabilities		12,706	479,878	1,036,067
Total Equity				
Share capital	15	15,623	590,000	590,000
Share capital adjustments	15	92,616	3,497,698	3,497,698
Premiums on shares	15	102,366	3,865,905	3,865,905
Restricted reserves	15	11,077	418,347	247,788
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(1,596)	(60,280)	(58,298)
- Actuarial losses from defined pension plans		(1,596)	(60,280)	(58,298)
Other comprehensive income or expenses that may be reclassified subsequently to profit or loss		(167)	(6,312)	371
- Foreign currency translation differences		(167)	(6,312)	371
Retained earnings		102,945	3,887,796	3,649,701
Net (loss)/profit for the year		(22)	(921)	1,293,658
Non- controlling interests		-	-	-
Total Equity		322,842	12,192,233	13,086,823
TOTAL LIABILITIES		444,782	16,797,446	17,194,312

(*)US Dollar ("USD") amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the Central Bank of the Republic of Turkey ("CBRT") effective as of 31 March 2025.

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

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

	Note	Unaudited		
		US Dollars (*)	Current Period	Prior Period
		1 January- 31 March 2025	1 January- 31 March 2025	1 January- 31 March 2024
Revenue		79,833	3,014,926	3,590,291
Cost of Sales (-)		(55,547)	(2,097,755)	(2,468,757)
Gross Profit		24,286	917,171	1,121,534
Marketing and sales expenses (-)		(10,506)	(396,754)	(405,065)
General administrative expenses (-)		(2,565)	(96,853)	(88,621)
Other income from operating activity	16	6,005	226,756	224,422
Other expenses from operating activity (-)	16	(263)	(9,932)	(16,004)
Operating Profit		16,957	640,388	836,266
Income from investment activities	17	1,344	50,745	4,961
Operating Profit Before Finance Income		18,301	691,133	841,227
Finance income	18	8,237	311,071	42,114
Finance expenses (-)	18	(6,325)	(238,878)	(379,008)
Monetary (loss)/gain		(17,528)	(661,971)	(192,379)
Profit Before Tax		2,685	101,355	311,954
Tax expense		(2,707)	(102,276)	(144,790)
Current tax expense (-)	19	(4,119)	(155,574)	(90,903)
Deferred tax income/(expense)	19	1,412	53,298	(53,887)
(Loss)/Profit For The Period		(22)	(921)	167,164
Distribution of profit for the year				
Non-controlling interests		-	-	-
Parent company shares		(22)	(921)	167,164
		(22)	(921)	167,164
Earning/(loss) per shares	20	-	(0.002)	0.334
Other Comprehensive Income/(loss):				
Items that will not be reclassified subsequently to profit or loss		(52)	(1,982)	(2,413)
Gain/(loss) on remeasurement of defined benefit plans	13	(70)	(2,643)	(3,218)
Tax income/(expense) of remeasurement of defined benefit plans	19	18	661	805
Items that may be reclassified subsequently to profit or loss		(177)	(6,683)	117
Currency translation reserves		(177)	(6,683)	117
Other Comprehensive (Loss)/Income		(229)	(8,665)	(2,296)
Total Comprehensive (Loss)/Income		(251)	(9,586)	164,868

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LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

					Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss	Accumulated other comprehensive income or expenses that may be reclassified subsequently to profit or loss			
	Share capital	Share capital adjustments	Premiums on shares	Restricted reserves	Actuarial losses from defined pension plans	Currency translation reserves	Retain earnings	Net profit / (loss) for the year	Total equity
Balances as of 1 January 2024	500,000	3,476,617	-	196,664	(11,387)	(769)	3,566,629	356,690	8,084,444
Transfers	-	-	-	-	-	-	356,690	(356,690)	-
Other comprehensive income /(expense)	-	-	-	-	(2,414)	117	-	-	(2,297)
Net profit for the year	-	-	-	-	-	-	-	167,164	167,164
Balances as of 31 March 2024	500,000	3,476,617	-	196,664	(13,801)	(652)	3,923,319	167,164	8,249,311
Balances as of 1 January 2025	590,000	3,497,698	3,865,905	247,788	(58,298)	371	3,649,701	1,293,658	13,086,823
Transfers	-	-	-	170,559	-	-	1,123,099	(1,293,658)	-
Dividends	-	-	-	-	-	-	(885,004)	-	(885,004)
Other comprehensive income /(expense)	-	-	-	-	(1,982)	(6,683)	-	-	(8,665)
Net profit for the year	-	-	-	-	-	-	-	(921)	(921)
Balances as of 31 March 2025	590,000	3,497,698	3,865,905	418,347	(60,280)	(6,312)	3,887,796	(921)	12,192,233

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

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

	Note	US Dollars (*)	Unaudited	
		Current Period 1 January- 31 March 2025	Current Period 1 January- 31 March 2025	Prior Period 1 January- 31 March 2024
A CASH FLOWS FROM OPERATING ACTIVITIES		(2,681)	(101,187)	(116,287)
(Loss)/Profit for the Period		(22)	(921)	167,164
Adjustments to reconcile net profit for the year		19,314	729,547	915,439
Changes on depreciation and amortization	8,9,10	4,464	168,587	198,779
Changes on expected credit loss		8	287	249
Provision for employee termination benefits	13	328	12,377	21,363
Changes on provision for unused vacation		232	8,749	11,472
Changes on provision for inventory impairment		-	(14)	(2,192)
Changes on other provision		30	1,140	(7,981)
Changes on foreign exchange gain and loss	18	4,064	153,495	282,058
Changes on gain on fixed assets sales		(1,147)	(43,334)	(4,961)
Changes on interets incomes		(7,567)	(285,756)	(10,515)
Changes on interets expenses		1,464	55,271	92,709
Changes on fair value of derivative instruments		495	18,700	(7,865)
Changes on financial investments	17	(196)	(7,411)	-
Changes on tax income and expenses		2,708	102,276	144,791
Adjustments related to monetary gain and (losses)		14,431	545,180	197,532
Changes in working capital		(21,810)	(823,682)	(1,242,372)
Adjustments related to decrease/(increase) in trade receivables	5	(5,459)	(206,178)	(626,893)
Adjustments related to decrease/(increases) in inventories	6	(5,345)	(201,854)	(597,443)
Increase in other assets related to operations		(16,848)	(636,288)	228,181
Increase in other liabilities related to operations		3,734	141,022	(122,425)
Adjustments related to increase in trade payables	5	1,531	57,823	(134,528)
Decrease in payables within the scope of employee benefits		577	21,793	10,736
Cash Generated from Operating Activities		(2,518)	(95,056)	(159,769)
Employee termination benefits paid	13	(322)	(12,148)	(8,123)
Accumulated leave paid	13	(14)	(510)	(1,627)
Income taxes paid		173	6,527	53,232
B. CASH FLOWS FROM INVESTING ACTIVITIES		(3,585)	(135,405)	(111,723)
Cash inflows from the sale of property, plant and equipment and intangible assets	8,17	1,297	48,977	4,961
Cash outflows from the purchase of property, plant and equipment and intangible assets	8,9	(794)	(29,999)	(54,037)
Advances given for investment purposes		(4,117)	(155,485)	(62,647)
Changes in financial investments		29	1,102	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		(15,786)	(596,221)	(989,088)
Cash inflows from borrowing	22	-	-	588,001
Cash outflows from repayments of borrowings	22	(11,827)	(446,663)	(921,822)
Interests paid		(4,418)	(166,836)	(71,455)
Cash inflows and outflows from repayments of financial leaseings, net		(188)	(7,098)	(12,844)
Monetary gain and loss effect from cah flows of financial activities		(6,921)	(261,380)	(581,483)
Interests received		7,568	285,756	10,515
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES AND INFLATION (A+B+C)		(22,052)	(832,813)	(1,217,098)
D. THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		(14,952)	(564,665)	(207,656)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(37,004)	(1,397,478)	(1,424,754)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		163,534	6,175,965	1,586,142
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	26	126,530	4,778,487	161,388

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

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Lila Kağıt Sanayi ve Ticaret Anonim Şirketi ("the Company") was established in 1984. Its principal activities are sales to domestic and exporting market and the production of jumbo rolls (tissue paper) and converting products. Other activities include textile products (yarn dying) and energy generation. The registered address of the Company is Business İstanbul, Merdivenköy Mahallesi, Nur Sokak, A Blok, No:1A/1705 34732 Kadıköy/İstanbul.

The main fields of activity of the Company's subsidiary included in the consolidation (together referred to as the "Group") and the countries in which it operates are as follows:

Subsidiary Company	Principal activity	Place of incorporation and operation	Functional Currency	Proportion of ownership interest and voting power held by the Company (%)	
				2025	2024
Lila Paper Swiss AG	Imports, Exports and Foreign Trade	Switzerland	US Dollars	100	100

Lila Paper Swiss AG operates as a foreign trade company and was established in Switzerland on January 19, 2023. The Company's main activity is to provide services regarding the export of jumbo rolls and converting and the import of raw materials. It was founded with a capital of 100,000 Swiss Francs. Lila Paper Swiss AG's capital has been fully paid and all shares belong to the Company.

The number of personnel employed by the Group is 986 as of 31 March 2025 (31 December 2024: 1.026).

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

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

In addition, the condensed consolidated financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on 4 October 2022 by POA and the format and mandatory information recommended by CMB.

The Group prepared its condensed consolidated interim financial statements in accordance with TAS 34 "Interim Reporting" standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Statement of Compliance with TFRS (cont'd)

The Group maintains its accounting records and prepares its condensed consolidated financial statements with the principles and requirements of the CMB, the Group keep their legal records according to the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance ("Ministry of Finance") of Turkish Republic.

Subsidiary operating in foreign countries prepare their statutory financial statements in accordance with the laws and regulations applicable in the countries in which they operate. The condensed consolidated financial statements are prepared by reflecting the necessary adjustments and classifications to the statutory records in order to make an accurate presentation in accordance with TFRS. The condensed consolidated financial statements are prepared on the basis of historical cost, except for financial assets recognized at fair value and derivative financial instruments carried at fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as basis.

Condensed consolidated financial statements have been prepared under the historical cost convention except for the derivative instruments and available for sale financial assets presented at fair values.

Approval of the financial statements:

The condensed consolidated financial statements have been approved and authorized to be published on 28 April 2025 by the Board of Directors.

Going concern

The condensed consolidated financial statements have been prepared on the basis of going concern.

Currency used

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the Company is TL and the functional currency of its subsidiary is US Dollar. The financial statements of the subsidiary have been translated into TL for presentation purposes and the translation differences are shown as foreign currency translation differences under equity. Condensed consolidated financial statements are expressed in TL, which is the presentation currency.

Restatement of financial statements during periods of high inflation

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, 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 year ending on or after 31 December 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.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 March 2024 and 31 December 2024 on the purchasing power basis as of 31 March 2025.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.03.2025	2,954.69	1.0000	250%
31.12.2024	2,684.55	1.10063	291%
31.03.2024	2,139.47	1.38104	309%

The main lines of TAS 29 indexation transactions 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.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, 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 income statement accounts. This gain or loss on the net monetary position is included in net profit.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 31 MARCH 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Restatement of financial statements during periods of high inflation (cont'd)

The impact of the application of TAS 29 Inflation Accounting is 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 expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

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

Comparative Figures

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

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation

Subsidiaries

As of 31 March 2025 and 31 December 2024, the details of the Group's subsidiary are as follows.

Subsidiary Company	Principal activity	Place of incorporation and operation	Functional Currency	Proportion of ownership interest and voting power held by the Company (%)	
				2025	2024
Lila Paper Swiss AG	Imports, Exports and Foreign Trade	Switzerland	US Dollars	100	100

All subsidiaries above are recognized in these condensed consolidated financial statements using the full consolidation method:

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

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

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

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

Profit or loss and each component of other comprehensive income are attributed to the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Comparative information and restatement of prior period consolidated financial statements

The condensed consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. In order to maintain consistency with the presentation of the current period condensed consolidated financial statements, comparative information is reclassified and significant differences are explained if necessary.

USD amounts presented in the consolidated financial statements

USD amounts shown in the consolidated balance sheet, consolidated statements of income, comprehensive income and cash flows have been translated from TL, prepared in accordance with the TFRS have been translated from TL, as a matter of arithmetic computation only, at the official USD bid rates announced by the CBRT effective as of 31 March 2025 of TL 37,7656 = USD 1 and do not form part of these condensed consolidated financial statements.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

2.2 Changes in Accounting Policies

The accounting policies have been applied consistently by the Company for all periods presented in the financial statements. Significant changes in accounting policies have been applied retrospectively and prior period financial statements are restated.

2.3 Changes in Accounting Estimates and Errors

The Group applied its accounting policies consistent with the previous year. If changes in accounting estimates and errors are for only one period, changes are applied in the current period but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. Significant accounting errors are applied retrospectively and prior period financial statements are restated. The Group has not made any changes in its accounting policies during the current year, except for the effects of the changes in new and revised standards explained in Note 2.4.

2.4 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2025

Amendments to TAS 21

Lack of Exchangeability

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17

Amendments to TFRS 17

Insurance Contracts

Initial Application of TFRS 17 and TFRS 9 — Comparative Information

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2026.

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2. BASIS OF PRESENTATION OF THE CONDENSED FINANCIAL STATEMENTS (cont'd)

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

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

2.5 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the period ended 31 March 2025 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for 31 December 2024. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for 31 December 2024.

3. SEGMENT REPORTING

The decision-making authority of the Group is the Members of the Board of Directors. The Group has no segment reporting within the scope of its operating activity. The Group Board of Directors monitors group activities as a single reportable section and makes decisions. Group management does not track operating results separately other than the country distribution. For this reason, performance criteria other than sales cannot be disclosed.

4. RELATED PARTY DISCLOSURES

In the condensed consolidated financial statements, shareholders, board members, their families and companies controlled by them or affiliated with them are considered as related parties. Various transactions have been made with related parties in the normal course of business of the entity.

As of 31 March 2025 and 31 December 2024, due to related parties are as follows:

a) **Related party transactions**

<u>Due to related parties</u>	<u>31 March 2025</u>	<u>31 December 2024</u>
Payables to shareholders (*)	885,004	-
	<u>885,004</u>	<u>-</u>

(*) According to the dividend distribution decision in the agenda of the general assembly of the Group registered on March 24, 2025, it has been approved to pay the gross dividend amounting to TL 885.004 for the 2024 accounting period to the shareholders in cash on July 1, 2025.

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4. RELATED PARTY DISCLOSURES (cont'd)

a) Related party transactions (cont'd)

Services received from related parties for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Services received from related parties</u>		
<i><u>Services received from partners</u></i>		
Aydın Ögücü	1,199	1,032
Celal Ögücü	1,137	978
Orhan Ögücü	1,135	986
<i><u>Other companies controlled by shareholders</u></i>		
Trakyam Yumurta Gıda ve Üretim Anonim Şirketi	3,677	3,223
Total	<u>7,148</u>	<u>6,219</u>

Services received from related party are consists of rent payments of the Group to shareholders and other companies controlled by shareholder.

Services provided to related parties for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Services provided to related parties</u>		
Orhan Ögücü	34	-
<i><u>Other companies managed by shareholders</u></i>		
Trakyam Yumurta Gıda ve Üretim Anonim Şirketi	10	8
Total	<u>44</u>	<u>8</u>

Maturity of collection arising from service provided is less than a month.

b) Benefits provided to key management

The key management of the Group consists of chairman, board members, general manager, deputy general managers, directors and group managers. The total amount of salaries and similar benefits paid and accrued premiums to key management personnel (18 people) (as of 2024 14 people) as of 31 March 2025 is TL 22,529 (31 March 2024: TL 21,284).

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5. TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

As of 31 March 2025 and 31 December 2024, trade receivables from third parties are as follows:

	31 March 2025	31 December 2024
Trade receivables	2,649,287	2,443,595
Cheques received	252,425	252,068
Doubtful receivables	3,111	3,282
Provision for doubtful receivables(-)	(3,111)	(3,282)
	<u>2,901,712</u>	<u>2,695,663</u>

As of 31 March 2025, the average receivables turnover days of the Company's is 84 days (31 December 2024: 79 days).

As of 31 March 2025 and 2024, movement of provision for the doubtful receivables of the Group are as follows:

Movement of provision for doubtful receivables	1 January- 31 March 2025	1 January- 31 March 2024
Opening balance	2,982	3,624
Effect of inflation index	(158)	(582)
Charge for the period/write off of provision	287	240
Closing balance as of 31 March	<u>3,111</u>	<u>3,282</u>

As of 31 March 2025, there is no guarantee amount received from customers regarding doubtful receivables. (31 December 2024: None).

The Group periodically monitors the collectability of its trade receivables and provides allowance for doubtful receivables for possible losses that may arise from doubtful receivables based on the collection rates in previous years. Subsequent to the allocation of allowance for doubtful receivables, in the event that some or all of the doubtful receivable amount is collected, the collected amount is deducted from the allowance for doubtful receivables and recognized in profit or loss.

The nature and level of risks related to trade receivables are disclosed in Note 23.

Short-term trade payables

As of 31 March 2025 and 31 December 2024, short-term trade payables of the Group are as follows:

Short term trade payables	31 March 2025	31 December 2024
Due to third parties	829,803	771,980
	<u>829,803</u>	<u>771,980</u>

As of 31 March 2025, the Group's average trade payable turnover days are 34 days (31 December 2024: 26 days).

Trade payables primarily include unpaid amounts arising from goods purchases, services rendered and ongoing investments.

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6. INVENTORIES

As of 31 March 2025 and 31 December 2024, inventories as follows:

	31 March 2025	31 December 2024
Raw materials and supplies	974,032	720,592
Finished goods	636,696	667,245
Semi-finished goods	63,682	67,614
Trade goods	2,121	1,162
Other inventory(*)	234,709	252,773
Provision for inventories (-)	(310)	(297)
	<u>1,910,930</u>	<u>1,709,089</u>

(*)As of 31 March 2025 and 31 December 2024, other inventories consist of short-term spare parts and operating materials that are not considered as fixed assets and are used for maintenance and repair purposes.

As of 31 March 2025 and 31 December 2024, there is no mortgage or pledge on inventories.

7. PREPAID EXPENSES AND DEFERRED INCOME

As of 31 March 2025 and 31 December 2024, short-term prepaid expenses are as follows:

Short-term prepaid expenses	31 March 2025	31 December 2024
Prepaid expenses	31,752	46,616
Advances given	722,211	42,246
	<u>753,963</u>	<u>88,862</u>

As of 31 March 2025 and 31 December 2024, long-term prepaid expenses are as follows:

Long-term prepaid expenses	31 March 2025	31 December 2024
Advances given for fixed asset purchases(*)	221,142	65,657
Prepaid expenses	3,842	391
	<u>224,984</u>	<u>66,048</u>

(*) As of 31 March 2025, TL 33.6 million of the long-term advances given are related to Ergene production facility investment, TL 186.9 million to Erzurum factory investment and the remaining amount is related to SPP investments. As of 31 December 2024, TL 65.6 million of the investment advances given, TL 31.3 million is related to Erzurum investment and the remaining TL 34.3 million is related to other ongoing investments in Ergene production facility.

As of 31 March 2025 and 31 December 2024, details of short-term deferred income are as follows:

Short-term deferred income	31 March 2025	31 December 2024
Advances received	296,075	128,010
	<u>296,075</u>	<u>128,010</u>

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8. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost value									
Opening balance as of 1 January 2025	154,835	3,987	1,637,201	9,431,859	67,940	279,444	46,745	753,068	12,375,079
Additions	-	-	-	2,818	2,773	2,295	-	21,894	29,780
Disposals	-	-	-	(33,500)	-	(25)	-	-	(33,525)
Transfers(*)	-	1,879	-	27,787	-	-	-	(31,426)	(1,760)
Closing balance as of 31 March 2025	154,835	5,866	1,637,201	9,428,964	70,713	281,714	46,745	743,536	12,369,574
Accumulated depreciation									
Opening balance as of 1 January 2025	-	2,684	689,560	5,326,030	51,679	194,429	46,745	-	6,311,127
Charge for the year	-	50	9,333	128,976	2,039	5,679	-	-	146,077
Disposals	-	-	-	(27,882)	-	-	-	-	(27,882)
Closing balance as of 31 March 2025	-	2,734	698,893	5,427,124	53,718	200,108	46,745	-	6,429,322
Carrying value as of 31 March 2025	154,835	3,132	938,308	4,001,840	16,995	81,606	-	743,536	5,940,252

As of 31 March 2025, there is no capitalized borrowing cost on property, plant and equipment.

As of 31 March 2025, the insurance coverage amount on fixed assets is TL 17,146,094.

(*) As of 31 March 2025, construction in progress amounting to TL 1,760 have been transferred to rights within property, plant and equipment.

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land	Land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost value									
Opening balance as of 1 January 2024	103,468	3,987	1,634,892	9,019,282	72,964	258,198	46,759	504,487	11,644,037
Additions	-	-	-	1,918	-	1,001	-	49,715	52,634
Disposals	-	-	-	-	(4,220)	-	-	-	(4,220)
Transfers(*)	-	-	319	356,132	-	-	-	(356,701)	(250)
Closing balance as of 31 March 2024	103,468	3,987	1,635,211	9,377,332	68,744	259,199	46,759	197,501	11,692,201
Accumulated depreciation									
Opening balance as of 1 January 2024	-	2,515	652,167	4,730,581	47,310	176,146	46,747	-	5,655,466
Charge for the year	-	43	9,348	149,115	2,414	6,255	6	-	167,181
Disposals	-	-	-	-	(4,220)	-	-	-	(4,220)
Closing balance as of 31 March 2024	-	2,558	661,515	4,879,696	45,504	182,401	46,753	-	5,818,427
Carrying value as of 31 March 2024	103,468	1,429	973,696	4,497,636	23,240	76,798	6	197,501	5,873,774

As of 31 March 2024, there is no capitalized borrowing cost on property, plant and equipment.

As of 31 March 2024, the insurance coverage amount on fixed assets is TL 16,182,010.

(*) As of 31 March 2024, construction in progress amounting to TL 250 have been transferred to rights within property, plant and equipment.

LİLA KAĞIT SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 31 MARCH 2025**

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	1 January- 31 March 2025	1 January- 31 March 2024
Depreciation expenses		
Cost of sales	139,981	160,750
Marketing and sales expenses	2,581	3,595
Administrative expenses	3,515	2,836
	<u>146,077</u>	<u>167,181</u>

9. INTANGIBLE ASSETS

Movement of intangible assets of the Group for the periods ended 31 March 2025 and 2024 is as follows:

Cost value	Rights	Total
Opening balance as of 1 January 2025	88,388	88,388
Additions	219	219
Transfers from tangible assets	1,760	1,760
Closing balance as of 31 March 2025	<u>90,367</u>	<u>90,367</u>
Accumulated amortization		
Opening balance as of 1 January 2025	52,842	52,842
Charge for the year	888	888
Closing balance as of 31 March 2025	<u>53,730</u>	<u>53,730</u>
Net carrying value as of 31 March 2025	<u>36,637</u>	<u>36,637</u>
Cost value	Rights	Total
Opening balance as of 1 January 2024	80,429	80,429
Additions	1,401	1,401
Transfers from tangible assets	250	250
Closing balance as of 31 March 2024	<u>82,080</u>	<u>82,080</u>
Accumulated amortization		
Opening balance as of 1 January 2024	50,372	50,372
Charge for the year	767	767
Closing balance as of 31 March 2024	<u>51,139</u>	<u>51,139</u>
Net carrying value as of 31 March 2024	<u>30,941</u>	<u>30,941</u>

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9. INTANGIBLE ASSETS (cont'd)

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Amortization expenses</u>		
Cost of sales	27	31
Marketing and sales expenses	56	55
Administrative expenses	805	681
	<u>888</u>	<u>767</u>

As of 31 March 2025 and 2024, the Group has no intangible assets created within the business.

10. RIGHT-OF-USE ASSETS

The Group leases a number of assets including offices, vehicles, warehouses and information technologies equipment. Average lease term is 4 years (2024: 4 years).

Movement of right-of-use assets for the periods ended 31 March 2025 and 2024 is as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Right of use assets</u>		
Opening balances	143,241	159,063
Additions	92	48,506
Charge for the year	(21,622)	(30,831)
Carrying value	<u>121,711</u>	<u>176,738</u>

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Balances recognized in profit or loss</u>		
Depreciation expense	(21,622)	(30,831)
Interest on lease liabilities	(1,522)	(2,428)
Foreign exchange loss on foreign currency lease liabilities	(685)	(10,673)

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions and contingent assets

As of 31 March 2025 and 31 December 2024, short-term provisions are as follows:

	<u>31 March 2025</u>	<u>31 December 2024</u>
Provision for employee benefits	27,018	20,669
Other provisions	12,804	12,822
- <i>Lawsuit provisions</i>	12,732	12,666
- <i>Provision of supplier commissions</i>	72	156
	<u>39,822</u>	<u>33,491</u>

Short-term provisions for employee benefits consist of provision for unused vacation.

As of 31 March 2025 and 31 December 2024, long-term provisions are as follows:

	<u>31 March 2025</u>	<u>31 December 2024</u>
Long term provision for employee termination benefits		
- <i>Employee termination indemnity liability</i>	80,410	87,604
- <i>Seniority incentive premium liability</i>	17,857	17,414
	<u>98,267</u>	<u>105,018</u>

Long-term provisions for employee benefits consist of provision for employment termination benefits.

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12. COMMITMENTS

a) Guarantee-Pledge-Mortgages ("GPMBs")

As of 31 March 2025 and 31 December 2024, Group's guarantee, pledge and mortgage position is as follows:

	31 March 2025		31 December 2024	
	Original Currency	TL Equivalent	Original Currency	TL Equivalent
A. CPMB's given for Company's own legal personality				
Guarantee				
-TL	19,161	19,161	27,550	27,550
-USD	6,850	258,696	4,954	192,056
-EUR	5,000	203,510	4,000	161,761
B. CPMB's given on behalf of fully consolidated companies	-	-	-	-
C. CPMB's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPMB's	-	-	-	-
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-	-	-
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-	-	-
Total		481,366		381,367

As of 31 March 2025 and 31 December 2024, the ratio of other GPMs given by the Group to the Group's equity are 3.95% and 2.91%, respectively. As of 31 March 2025 and 31 December 2024, the guarantees given consist of letters of guarantee given to banks, tax office and other government authorities. As of 31 March 2025 and 31 December 2024, there is no mortgage or pledge on the Group assets.

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12. COMMITMENTS (cont'd)**b) Guarantees received**

As of 31 March 2025 and 31 December 2024, the nature and amounts of guarantees received are as follows:

<u>Letter of guarantees received</u>	<u>31 March 2025</u>	<u>31 December 2024</u>
Letter of guarantees received from customers	181,000	63,402
Letter of guarantees received for fixed asset investments	36,372	21,342
Letter of guarantees received from suppliers	18,722	17,764
	<u>236,094</u>	<u>102,508</u>
 <u>Other guarantees received</u>	 <u>31 March 2025</u>	 <u>31 December 2024</u>
Credit insurance	644,344	441,565
Cheques and bills received from customers	75,000	82,547
Cheques and bills received from suppliers	2,351	-
Mortgages	350	385
Other guarantees	690	1,536
	<u>722,735</u>	<u>526,033</u>
 <u>Total guarantees received</u>	 <u>31 March 2025</u>	 <u>31 December 2024</u>
Guarantees received from customers	901,384	589,435
Guarantees received from suppliers	57,445	39,106
	<u>958,829</u>	<u>628,541</u>

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13. EMPLOYEE BENEFITS

As of 31 March 2025 and 31 December 2024, the details of short and long-term provisions for employee benefits are as follows:

	31 March 2025	31 December 2024
Severance pay allowance	80,410	87,604
Unused vacation allowance	27,018	20,669
Seniority incentive premium liability	17,857	17,414
	<u>125,285</u>	<u>125,687</u>

The movement of provision for employment termination benefits for the periods ended 31 March 2025 and 2024 is as follows:

Movement of provision for employment termination benefits	1 January- 31 March 2025	1 January- 31 March 2024
Opening balance	87,604	32,632
Effect of inflation index	(8,031)	(5,915)
Interest cost	5,199	1,983
Service cost	5,143	19,896
Paid severance pay	(12,148)	(8,320)
Actueryal (gain) / loss	2,643	3,218
Balance as of 31 March	<u>80,410</u>	<u>43,494</u>

As of 31 March 2025 and 2024, the movement of employee termination incentive premium liability is as follows:

Seniority incentive premium liability	1 January- 31 March 2025	1 January- 31 March 2024
Opening balance	17,414	-
Effect of inflation index	(1,592)	-
Interest cost	989	-
Service cost	1,046	-
Closing balance as of 31 March	<u>17,857</u>	<u>-</u>

The Group has collective bargaining agreements with Selüloz-İş Union effective from January 1, 2024 to 31 December 2025 and with Öziplik-İş Union effective from July 1, 2023 to 31 December 2025. In accordance with these collective labor agreements, seniority incentive premiums will be paid to employees who have completed a certain number of years of seniority.

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13. EMPLOYE BENEFITS (cont'd)**Payables related to employee benefits**

As of 31 March 2025 and 31 December 2024, payables related to employee benefits are as follows:

	31 March 2025	31 December 2024
Due to personnel	86,528	83,603
Social security premiums payable	50,444	31,576
	<u>136,972</u>	<u>115,179</u>

14. OTHER ASSETS AND LIABILITIES

As of 31 March 2025 and 31 December 2024, other current assets are as follows:

<u>Other current assets</u>	31 March 2025	31 December 2024
Receivables from Tax Office	5,311	5,755
Deferred VAT	-	52,049
Other	641	623
	<u>5,952</u>	<u>58,427</u>

As of 31 March 2025 and 31 December 2024, other short-term liabilities are as follows:

<u>Other short-term liabilities</u>	31 March 2025	31 December 2024
Taxes and dues payable	19,831	52,715
Other	8,506	2,665
	<u>28,337</u>	<u>55,380</u>

15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS**Share capital and capital adjustment differences**

The registered capital ceiling of the Group is TL 2,000,000. The Group's issued capital is TL 590,000, and this issued capital has been fully paid without any concealment. As of the publication registration date on July 11, 2024, a capital increase of TL 90,000 has been completed and paid in cash. This capital is divided into a total of 590,000 shares, consisting of 300,000 Group A registered shares with a nominal value of 1 (one) TL each, and 290,000 Group B registered shares with a nominal value of 1 (one) TL each. Group B shares, 170,000 are registered and closed, 19,417 were obtained through the repurchase of shares during the price stabilization period, and 100,583 are traded on the stock exchange, making up a total of 290,000 shares.

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)**Share capital and capital adjustment differences (cont'd)**

As of 31 March 2025 and 31 December 2024, the shareholding structure of the Group is as follows:

	31 March 2025		31 December 2024	
	Share Ratio (%)	Amount (TL)	Share Ratio (%)	Amount (TL)
Orhan Ögücü	14.30	84,392	14.30	84,392
Aydın Ögücü	11.06	65,237	11.06	65,237
Celal Ögücü	8.94	52,757	8.94	52,757
Hatice Ögücü	8.56	50,506	8.56	50,506
Burcu Ögücü Giritli	7.38	43,556	7.38	43,556
Alp Ögücü	6.02	35,530	6.02	35,530
Duygu Ögücü	5.72	33,768	5.72	33,768
Huriye Ögücü	5.41	31,909	5.41	31,909
Nuray Darıcı	4.63	27,308	4.63	27,308
Murat Ögücü	4.22	24,910	4.22	24,910
İrem Ögücü Öngen	4.20	24,763	4.20	24,763
Onur Ögücü	1.25	7,390	1.25	7,390
Nazlı Gözübüyük	1.25	7,390	1.25	7,390
Publicly traded	17.05	100,583	17.05	100,583
Paid in capital	100	590,000	100	590,000
Capital adjustment differences		3,497,698		3,497,698

As of 31 March 2025, capital adjustment differences amounting to TL 3,497,698 consist of capital adjustment differences arising from the inflation adjustment of the Group's paid-in capital amount and not offset against prior years' losses or added to the capital (31 December 2024: TL 3,497,698).

Restricted reserves appropriated from profit

These are reserves arising from the profits of prior periods due to legal or contractual obligations or for certain purposes other than profit distribution. These reserves are shown over the amounts in the Group's legal records, and the differences arising in the preparation of consolidated financial statements in accordance with TFRS are associated with prior years' profit/losses.

The details of the Group's restricted reserves as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Legal Reserves	418,347	247,788
	418,347	247,788

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Restricted reserves appropriated from profit (cont'd)

In accordance with Article 519 of the Turkish Commercial Code, 5% of the annual commercial profit is the first order legal reserve fund until it reaches 20% of the paid capital, after 5% dividend is paid to the shareholders, 10% of the total amount to be distributed to those who will receive a share from the profit is allocated as the second legal reserve fund. As of 31 March 2025, the Group's first order legal reserve fund is 4.71% of its paid capital, and there is no limit for the second order legal reserve fund. As long as the reserve funds in question do not exceed half of the Group's paid-in capital, they can only be used to cover losses, to continue the business when things are not going well, or to take measures suitable for preventing unemployment and mitigating its consequences.

Dividend distribution

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or profit distribution policy are set aside, it cannot be decided to allocate other reserve funds, to transfer profits to the next year, or to distribute dividends to dividend share holders, members of the board of directors, partnership employees and persons other than shareholders, and no dividends can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

Listed companies distribute dividends according to the Communiqué numbered II-19.1 and published on 1 February 2014 in the Official Gazette. It has been decided that the profit distribution will be carried out within the framework of the principles included in the CMB's "Dividend Communiqué" numbered Serial: II-19.1, the provisions in the articles of association of the partnerships and the profit distribution policies announced to the public by the companies.

In addition, in the aforementioned Communiqué, companies that are obliged to prepare consolidated financial statements, as long as it can be met from the resources available in their legal records, it has been regulated that the net distributable profit amount should be calculated by taking into account the net period profits in the consolidated financial statements that they will prepare and announce to the public within the framework of the Communiqué No. Series: II-14.1. In publicly held corporations, dividends are distributed equally to all existing shares as of the distribution date, in proportion to their shares, regardless of their issuance and acquisition dates.

Shareholders distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies.

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or profit distribution policy are set aside, it cannot be decided to allocate other reserve funds, to transfer profits to the next year, or to distribute dividends to dividend share holders, members of the board of directors, partnership employees and persons other than shareholders, and no dividends can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

The proposal of the Board of Directors regarding the payment of gross dividend amounting to TL 885,004 (gross TL 1.5000 and net TL 1.2750 for each share with a nominal value of TL 1.00) to the shareholders in cash on July 1, 2025 was submitted to the approval of the shareholders at the Ordinary General Assembly meeting dated March 20, 2025 and the proposal was approved. The General Assembly of the Company was registered and announced in the trade registry gazette numbered 11298 on 24 March 2025.

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

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

Remeasurement gains (losses) of defined benefit plans:

As of 31 March 2025, it consists of actuarial gains or (losses) recognized as other comprehensive income related to provision for employment termination benefit amounting to TL (1,982) (31 March 2024: TL (2,413)).

16. OTHER OPERATING INCOME AND EXPENSES

Other operating income for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Other operating incomes		
Foreign exchange gains from operations	215,244	191,773
Scrap sale incomes	7,252	9,854
Other income	4,260	22,795
	<u>226,756</u>	<u>224,422</u>

Other operating expenses for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Other operating expenses		
Recovery contribution share	(6,676)	(1,206)
Provision expense	(2,706)	(863)
Late charge expenses(*)	(40)	(6,727)
Tax expense paid under law no. 7326	(36)	(2,489)
Other expenses	(474)	(4,719)
	<u>(9,932)</u>	<u>(16,004)</u>

(*) Late charge expenses consists of discount expenses calculated for receivables whose maturity exceeds normal sales conditions.

17. INCOME FROM INVESTING ACTIVITIES

Income from investing activities for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Incomes from investing activities		
Gain on disposal of property,	43,334	4,961
Profit on sale of marketables	7,411	-
	<u>50,745</u>	<u>4,961</u>

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18. FINANCE INCOME AND EXPENSES

Finance income for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Finance incomes		
Interest income	285,756	23,120
Foreign exchange gains, net	25,315	10,515
Gain from derivative instruments	-	8,479
	<u>311,071</u>	<u>42,114</u>

Finance expenses for the periods ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Finance expenses		
Foreign exchange losses	(152,125)	(282,058)
Interest expenses	(64,354)	(96,950)
Loss from derivative instruments	(22,399)	-
	<u>(238,878)</u>	<u>(379,008)</u>

19. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)Corporate tax

The Group, its subsidiaries established in Turkey and other countries, associates and joint ventures are subject to the tax legislation and practices in the countries which they are operating.

	31 March 2025	31 December 2024
<u>Current tax liability:</u>		
Corporate tax provision	(159,604)	(147,407)
Less: prepaid taxes and funds	64,371	214,275
	<u>(95,233)</u>	<u>66,868</u>

As of 31 March 2025 and 2024, the distribution of consolidated tax expense is as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Current tax income/(expense) :</u>		
Corporate tax (-)	(155,574)	(90,903)
Deferred tax (expenses)/income	53,298	(53,887)
	<u>102,276</u>	<u>144,790</u>

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19. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below. As of 31 March 2025, the tax rate used in the calculation of deferred tax assets and liabilities is 24%.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

As of 31 March 2025 and 31 December 2024, total temporary differences and deferred tax assets/(liabilities) are as follows:

	31 March 2025		31 December 2024	
	Total temporary differences	Deferred tax assets/(liability)	Total temporary differences	Deferred tax assets/(liability)
Investments allowances	-	-	(12,290)	1,911
Adjustments related to tangible and intangible asstes	1,216,410	(304,102)	1,070,996	(267,749)
Adjustments related to right of use assets	74,620	(18,655)	83,637	(20,909)
Adjustments related to employee benefits	(68,104)	17,026	(65,590)	16,398
Other	69,741	75,017	68,393	(14,324)
Deferred tax liability	1,292,667	(230,714)	1,145,146	(284,673)

As of 31 March 2025 and 2024, the movement of deferred tax assets/(liability) is as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Movement of deferred tax (assets) / liabilities		
Opening balance as of 1 January	(284,673)	(78,183)
Amounts under profit or loss	53,298	(53,887)
Amounts under other comprehensive income	661	805
Closing balance as of 31 March	(230,714)	(131,265)

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20. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of shares that have been outstanding during the year. Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year. There is no equity item that has a decreasing effect on earnings per share.

The weighted average of the total number of shares and calculation of earnings per share for the periods are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Profit for the year	(921)	167,164
Average number of shares outstanding during the year	590,000	500,000
(Loss)/Earnings per share	<u>(0.002)</u>	<u>0.334</u>

21. DERIVATIVE INSTRUMENTS

As of 31 March 2025 and 31 December 2024, derivative instruments are as follows:

Forward foreign exchange transactions	31 March 2025	31 December 2025
Assets	-	4,753
Liabilities	13,947	-

As of 31 March 2025, the Group has forward purchase contracts amounting to EUR 11.000 equivalent of USD 11.586 with a final maturity date of June 26, 2025. As of 31 December 2024, the Group has forward purchase contracts amounting to EUR 19.811 equivalent of USD 20.782 with a final maturity date of June 26, 2025 which will be realized within the following 12 months.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit or loss. Assets related to derivative instruments that are expected to settle within 12 months following the reporting date are presented as current assets and liabilities are presented as current liabilities.

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22. FINANCIAL INSTRUMENTS

Financial Liabilities

The details of the Group's short-term borrowings as of 31 March 2025 and 31 December 2024 are as follows:

Financial borrowings	31 March 2025	31 December 2024
Financial borrowings	889,092	1,419,867
Short-term financial leaseings(*)	16,194	23,710
Current installments of long-term borrowings	884,364	523,805
	<u>1,789,650</u>	<u>1,967,382</u>

(*) Consists of the Group's liabilities from lease agreements within the scope of TFRS 16.

The details of the Group's long-term borrowings as of 31 March 2025 and 31 December 2024 are as follows:

Financial borrowings	31 March 2025	31 December 2024
Long-term financial borrowings	120,000	610,480
Long-term financial leaseings(*)	30,897	35,896
	<u>150,897</u>	<u>646,376</u>

(*) Consists of the Group's liabilities from lease agreements within the scope of TFRS 16.

As of 31 March 2025, the Group has financial commitments from HSBC amounting to EUR 3,621 (31 December 2024: EUR 5,979) for the remaining loan balance of TL 147,401 (31 December 2024: TL 219,686).

Short and long term bank borrowings

Currency	Average effective interest rate %	31 March 2025	
		Short-term	Long-term
US Dollars	6.96	1,083,756	-
TL	47.23	91,514	120,000
Euro	4.49	598,186	-
		<u>1,773,456</u>	<u>120,000</u>

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22. FINANCIAL INSTRUMENTS (cont'd)**Financial Liabilities (cont'd)**

Short and long term bank borrowings

Currency	Average effective interest rate %	31 December 2024	
		Short-term	Long-term
US Dollars	6.88	1,667,203	-
TL	45.19	88,732	132,076
Euro	3.89	187,737	478,404
		<u>1,943,672</u>	<u>610,480</u>

As of 31 March 2025 and 31 December 2024, the repayment schedule of bank borrowings is as follows:

Repayments of borrowings	31 March 2025	31 December 2024
To be paid within 1 year	1,773,456	1,943,672
To be paid between 1-5 years	120,000	610,480
	<u>1,893,456</u>	<u>2,554,152</u>

As of 31 March 2025 and 2024, the movement details of the Group's bank borrowings are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Movements of financial borrowings		
Opening balance	2,554,152	4,318,869
Effects of inflation index	(253,756)	(569,360)
Additions	-	588,002
Principal payments	(613,499)	(993,277)
Interest expenses	53,749	90,282
Foreign exchanges	152,810	271,385
Closing balance as of 31 March	<u>1,893,456</u>	<u>3,705,901</u>

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including the borrowings disclosed in Note 22, and equity attributable to equity holders of the parent, comprising cash and cash equivalents, issued capital, reserves and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group's board of directors reviews the capital structure monthly. During these reviews, the board evaluates the risks associated with each capital class, along with the cost of capital. Based on the recommendations made by the board, the Group aims to stabilize its capital structure through the acquisition of new debt or the repayment of existing debt, as well as through dividend payments, issuance of new shares and repurchase of shares.

b) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Credit risk management

The Group's exposure to credit risk arises from the failure of a customer or counterparty to fulfil the contractual provisions of a financial instrument and mainly comprises financial losses that may arise from the Group's trade receivables and investments in debt securities.

In order to minimize credit risk, the Group uses products such as mortgages / letters of guarantee and receivable insurance, depending on the business unit. As at 31 March 2025 and 31 December 2024, 34% and 24% of the Company's receivables, respectively, are protected from credit risk within the framework of the guarantees mentioned above. In domestic collection tools, credit cards are used at an optimum level by evaluating conditions such as collateral, mortgage and prepayment. Credit ratings and findeks reports of the customers we work with, especially in the fast-moving consumption business area, are regularly obtained and credit limits are closely monitored.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 31 March 2025, the maximum risks that the Group may be exposed to as a result of the failure of the counterparties to fulfill their obligations arise from the following factors:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the entity would have to pay if the financial guarantee is called upon.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Credit risk management (cont'd)

In each financial statement period, the Group allocates provisions for all of its overdue receivables that are impaired, and the receivables from customers with maturities above the usual sales maturity are monitored at the Board of Directors level and are reflected in the financial statements at a discount in accordance with the market interest rates. The amounts of the Group's provisions for doubtful trade receivables which are ongoing legal process as of 31 March 2025 and 31 December 2024 are TL 3,111 and TL 3,282 respectively. The Group continuously and uninterruptedly reconciles with its customers and monitors its receivables at the closest level.

Credit risk refers to the risk that one of the parties will default on its contractual obligations resulting in financial loss to the Group. The Group, aiming to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee. Credit risks which the Group is exposed, and credibility of customers are being watched continuingly. Credit risk is being controlled through limits for customers which are reviewed and approved annually by the management.

Trade receivables comprise a large number of customers in the construction industry and various geographical areas. Credit assessments are continuingly performed for trade receivables balances from customers and receivables are insured where necessary.

Aging of overdue receivables is as follows:

	31 March 2025	31 December 2024
1- 90 days overdue	479,927	641,745
3- 6 months overdue	306,127	196,054
6- 12 months overdue	122,839	74,690
Total overdue receivables	908,893	912,489
Covered part with guarantee	457,132	456,903
	451,761	455,586

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Company uses the activity-based costing method to cost its products and services, which helps to monitor cash flow requirements and optimise the cash return on investments.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Liquidity risk management (cont'd)

Changes in the general economic conjuncture may cause changes in the financing conditions provided by financial institutions. The Group's net working capital requirement may vary according to raw material prices, tonnage growth, market conditions and factors beyond the Group's control.

The Group uses an activity-based costing method to cost its products and services, which helps to monitor cash flow requirements and optimise the cash return on investments.

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has adopted a natural "hedging" policy against currency risks. The ratio of currency types of inputs and the currency ratio of expenses are very close to each other. With over 70% of exports (predominantly USD), close to 70% of sales correspond to foreign currency based inputs (predominantly USD) from abroad and domestically. Likewise, a foreign currency and TL denominated loan policy has been adopted in proportion to sales. In cases where proportional differences arise in foreign currency denominated transactions, balance is achieved through forward derivative transactions.

In the current year, there has been no change in the Group's exposure to market risks or in the Group's methods of managing and measuring market risk compared to the previous year.

Currency risk management

The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The currencies in which these transactions primarily denominated are USD and EUR. Generally, borrowings are principally denominated in Euro and US Dollars at exchange rates that match the cash flows generated from the Group's operations.

All of the cellulose, which constitutes a significant portion of the costs, is imported and since a significant portion of the Company's foreign purchases are realised as cash imports, both the debt burden on the balance sheet is low and the exchange rate risk is avoided. The Group's policy with respect to other monetary assets and liabilities denominated in foreign currencies is to purchase or sell at spot exchange rates to resolve short-term imbalances and to keep the net exposure at acceptable levels.

Forward transactions are the transactions that are contracted by determining the currency type, amount, maturity and exchange rate (price) from today for the realization of money exchange at a future date. In order to minimize the currency risk, the Company has entered into forward purchase agreements in 2025 denominated in Euro and US Dollars until the end of June 2025 and the derivative transactions that are open derivatives as of the end of the period are disclosed in Note 21.

Transactions in foreign currencies cause foreign currency risk.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

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

	31 March 2025					
	TL Equivalent	US Dollars	Euro	GBP	CHF	JPY
1. Trade receivables	2,127,424	38,147	16,873	-	-	-
2a. Monetary assets	2,003,027	52,261	717	-	4	-
2b. Non-Monetary assets	15,704	416	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	4,146,155	90,824	17,590	-	4	-
5. Trade receivables	-	-	-	-	-	-
6a. Monetary assets	723,221	14,207	4,576	6	-	616
6b. Non-Monetary assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	723,221	14,207	4,576	6	-	616
9. Total assets (4+8)	4,869,376	105,031	22,166	6	4	616
10. Trade payables	633,621	8,552	7,603	-	-	-
11. Financial liabilities	1,681,942	28,689	14,631	-	-	-
12a. Monetary liabilities	-	-	-	-	-	-
12b. Non-Monetary liabilities	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	2,315,563	37,241	22,234	-	-	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Monetary liabilities	-	-	-	-	-	-
16b. Non-Monetary liabilities	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	-	-	-	-	-	-
18. Total liabilities (13+17)	2,315,563	37,241	22,234	-	-	-
19. Position of net assets /(liabilities) of off balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Amount of total hedged assets	-	-	-	-	-	-
19b. Amount of total hedged liabilities	-	-	-	-	-	-
20. Position of net foreign currency assets/ (liabilities) (9-18+19)	2,553,813	67,790	(68)	6	4	616
21. Positions of monetary items net foreign currency assets/ (liabilities) (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	2,553,813	67,790	(68)	6	4	616

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

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

	31 December 2024				
	TL Equivalent	US Dollars	Euro	GBP	CHF
1. Trade receivables	2,053,148	39,902	12,459	-	-
2a. Monetary assets	3,117,975	66,861	12,903	-	1
2b. Non-Monetary assets	2,807	62	10	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	5,173,930	106,825	25,371	-	1
5. Trade receivables	-	-	-	-	-
6a. Monetary assets	92,808	1,335	1,006	6	-
6b. Non-Monetary assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	92,808	1,335	1,006	6	-
9. Total assets (4+8)	5,266,738	108,160	26,377	6	1
10. Trade payables	544,223	10,106	3,730	-	-
11. Financial liabilities	1,854,940	42,858	4,635	-	-
12a. Monetary liabilities	-	-	-	-	-
12b. Non-Monetary liabilities	-	-	-	-	-
13. Short-term liabilities (10+11+12)	2,399,163	52,964	8,365	-	-
14. Trade payables	-	-	-	-	-
15. Financial liabilities	478,404	-	11,811	-	-
16a. Monetary liabilities	-	-	-	-	-
16b. Non-Monetary liabilities	-	-	-	-	-
17. Long-term liabilities (14+15+16)	478,404	-	11,811	-	-
18. Total liabilities (13+17)	2,877,567	52,964	20,176	-	-
19. Position of net assets /(liabilities) of off balance sheet derivative instruments (19a-19b)	-	-	-	-	-
19a. Amount of total hedged assets	-	-	-	-	-
19b. Amount of total hedged liabilities	-	-	-	-	-
20. Position of tet foreign currency assets/ (liabilities) (9-18+19)	2,389,171	55,196	6,201	6	1
21. Positions of Monetary items net foreign currency assets/ (liabilities) (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	2,389,171	55,196	6,201	6	1

The Group's foreign currency risk mainly arises from the changes in the value of TL against Euro and USD.

The basis of the sensitivity analysis to measure the currency risk is to explain the total currency made throughout the institution. The total foreign currency position includes all foreign currency-based short-term and long-term purchase contracts and all assets and liabilities. The analysis does not include net foreign currency investments. The Company realizes its medium and long term loans in the currency of the project revenues it obtains. For short-term loans, borrowings are realized in TL, Euro and US Dollars in a balanced manner under the pool / portfolio model.

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

The following table details the Group's sensitivity to a 10% increase and decrease in US Dollars and Euro against TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity.

31 March 2025				
	Profit / Loss		Shareholders equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
In case the US Dollars gains / loses 10% against TL				
1- US Dollar net asset / liability	255,760	(255,760)	255,760	(255,760)
2- Amount hedged for US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 + 2)	255,760	(255,760)	255,760	(255,760)
In case the EUR gains / loses 10% against TL				
4- Euro net asset / liability	(440)	440	(440)	440
5- Amount hedged for Euro risk (-)	-	-	-	-
6- Euro net effect (4 + 5)	(440)	440	(440)	440
In case the GBP gains / loses 10% against TL				
7- GBP net asset / liability	29	(29)	29	(29)
8- Amount hedged for GBP (-)	-	-	-	-
9- GBP net effect (7+8)	29	(29)	29	(29)
In case the JPY gains / loses 10% against TL				
10- JPY net asset / liability	15	(15)	15	(15)
11- Amount hedged for JPY (-)	-	-	-	-
12- JPY net effect (10+11)	15	(15)	15	(15)
In case the CHF gains / loses 10% against TL				
13- CHF net asset / liability	17	(17)	17	(17)
14- Amount hedged for CHF (-)	-	-	-	-
15- CHF net effect (13+14)	17	(17)	17	(17)
TOTAL (3 + 6 + 9 +12 +15)	255,381	(255,381)	255,381	(255,381)

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23. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

Currency risk management (cont'd)

		31 December 2024			
		Profit / Loss		Shareholders equity	
		Foreign currency	Foreign currency	Foreign currency	Foreign currency
		appreciation	depreciation	appreciation	depreciation
In case the US Dollars gains / loses 10% against TL					
1- US Dollar net asset / liability		213,958	(213,958)	213,958	(213,958)
2- Amount hedged for US Dollar risk (-)		-	-	-	-
3- US Dollar net effect (1 + 2)		213,958	(213,958)	213,958	(213,958)
In case the EUR gains / loses 10% against TL					
4- Euro net asset / liability		24,927	(24,927)	24,927	(24,927)
5- Amount hedged for Euro risk (-)		-	-	-	-
6- Euro net effect (4 + 5)		24,927	(24,927)	24,927	(24,927)
In case the GBP gains / loses 10% against TL					
7- GBP net asset / liability		27	(27)	27	(27)
8- Amount hedged for GBP (-)		-	-	-	-
9- GBP net effect (7+8)		27	(27)	27	(27)
In case the CHF gains / loses 10% against TL					
10- CHF net asset / liability		4	(4)	4	(4)
11- Amount hedged for CHF (-)		-	-	-	-
12- CHF net effect (10+11)		4	(4)	4	(4)
TOTAL (3 + 6 + 9 +12)		238,917	(238,917)	238,917	(238,917)

24. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

Fair Value of Financial Instruments

The following table analyses the financial instruments measured at fair value and determined by valuation method. Fair value calculations have been made based on the stages described below:

- Quoted prices (unadjusted) in active markets for specific assets and liabilities (Level 1)).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
- Inputs for assets and liabilities that cannot be determined on the basis of observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3
31 March 2025			
Derivative instruments	-	(13,947)	-
31 December 2024			
Derivative instruments	-	4,753	-

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25. EVENTS AFTER THE REPORTING PERIOD

None.

26. CASH AND CASH EQUIVALENTS

As of 31 March 2025 and 31 December 2024, details of cash and cash equivalents are as follows:

	31 March 2025	31 December 2024
Banks	4,731,239	6,127,699
- Demand deposits(*)	2,875,576	173,052
- Time deposits	1,855,663	5,954,647
Other cash and cash equivalents (**)	47,248	48,266
Total	4,778,487	6,175,965

(*) As of 31 March 2025, TL 2.7 billion of demand deposits are invested in money market funds.

(**) As of 31 March 2025 and 31 December 2024, other cash and cash equivalents consist of credit card receivables with maturities less than 30 days.

Foreign currency and interest rate risks and sensitivity analyses for the Group's financial assets and liabilities are disclosed in Note 23.

			31 March 2025	
Currency	Effective interets rate (%)	Maturity	Original currency	TL Equivalent
TL	45.00	1-30 Days	49,249	49,249
US Dollars	3.80-3.82	1-30 Days	47,832	1,806,414
				1,855,663
			31 December 2024	
Currency	Effective interets rate (%)	Maturity	Original currency	TL Equivalent
TL	44-46	1-30 Days	3,712,414	3,007,503
Euro	2.25-3.84	1-30 Days	15,900	473,279
US Dollars	2.30-3.95	1-30 Days	86,695	2,473,865
				5,954,647