

**Kordsa Teknik Tekstil A.Ş. and  
Its Subsidiaries**  
Convenience Translation into English  
of the Condensed Consolidated  
Financial Statements for the Interim  
Period 1 January-30 June 2023 together  
with Independent Auditor's Report on  
Review of Interim Financial Information  
(Originally Issued in Turkish)



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## **Independent Auditor's Report on Review of Condensed Interim Financial Information**

To the Board of Directors of Kordsa Teknik Tekstil Anonim Şirketi

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Kordsa Teknik Tekstil Anonim Şirketi (the "Company") and its subsidiaries (the "Group") as at 30 June 2023, and the condensed consolidated statements of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated changes in equity and condensed consolidated cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 *Interim Financial Reporting* ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34.

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

Hakan Öleli, ~~SM~~MM

Partner

7 August 2023

İstanbul, Turkey

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**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023 AND 31 DECEMBER 2022**

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

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	4	1.298.433.860	799.228.246
Financial Investments		80.385.472	58.206.477
Trade Receivables	6	4.821.980.932	3.859.579.739
<i>Due from Related Parties</i>	6	240.314.412	250.835.834
<i>Due from Third Parties</i>		4.581.666.520	3.608.743.905
Other Receivables	7	477.742.718	244.426.631
<i>Other Receivables from Third Parties</i>		477.742.718	244.426.631
Derivatives		5.767.517	440.876
Inventories	8	6.879.879.028	5.497.271.981
Prepayments		443.574.242	203.478.322
<i>Prepayments to Third Parties</i>		443.574.242	203.478.322
Current Tax Assets		36.053.406	111.608.753
Other Current Assets		467.859.202	371.330.131
<i>Other Current Assets from Third Parties</i>		467.859.202	371.330.131
<b>Current Assets</b>		<b>14.511.676.377</b>	<b>11.145.571.156</b>
<b>Non-Current Assets:</b>			
Financial Investments		1.729.480	1.227.282
Other Receivables	7	96.091.279	63.376.444
<i>Other receivables from third parties</i>		96.091.279	63.376.444
Investment Properties	12	588.883.574	426.405.882
Derivatives		-	26.164.494
Property Plant and Equipment	9	8.111.830.910	5.833.565.634
Right of Use Assets	11	668.308.927	501.413.236
Intangible Assets		6.600.029.137	4.812.097.358
Goodwill	13	3.473.437.499	2.515.088.288
<i>Other Intangible Assets</i>	10	3.126.591.638	2.297.009.070
Prepayments		77.683.202	55.563.044
<i>Prepayment to third parties</i>		77.683.202	55.563.044
Deferred Tax Assets		540.073.718	492.077.938
Other Non-Current Assets		305.912.719	211.743.612
<b>Non-Current Assets</b>		<b>16.990.542.946</b>	<b>12.423.634.924</b>
<b>Total Assets</b>		<b>31.502.219.323</b>	<b>23.569.206.080</b>

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023 AND 31 DECEMBER 2022**

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

	Notes	Reviewed 30 June 2023	Audited 31 December 2022
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>			
Short Term Borrowings	5	3.405.112.283	3.544.069.320
Short Term Portion of Long Term Borrowings	5	1.874.696.708	1.260.253.327
Short Term Lease Liabilities	5	97.314.792	53.041.833
Trade Payables		2.702.427.862	2.971.509.321
<i>Due to Related Parties</i>	22	64.043.846	72.941.629
<i>Due to Third Parties</i>		2.638.384.016	2.898.567.692
Payables Related to Employee Benefits		75.578.430	37.395.221
Other Payables	7	183.173.490	81.594.124
<i>Other Payables to Third Parties</i>		183.173.490	81.594.124
Deferred Revenue		17.161.910	16.753.488
<i>Deferred Revenue from Third Parties</i>		17.161.910	16.753.488
Current Tax Liabilities	20	71.989.150	83.921.401
Short Term Provisions		246.069.596	204.644.406
<i>Short Term Employee Benefits</i>		208.765.298	165.965.351
<i>Other Short Term Provisions</i>		37.304.298	38.679.055
Other Short Term Liabilities		438.217.609	231.150.884
<i>Other Current Liabilities to Third Parties</i>		438.217.609	231.150.884
Derivative Financial Instruments		13.857.894	5.394.369
<b>Subtotal</b>		<b>9.125.599.724</b>	<b>8.489.727.694</b>
Liability directly associated with the assets held for sale		23.353.259	13.890.583
<b>Total Short Term Liabilities</b>		<b>9.148.952.983</b>	<b>8.503.618.277</b>
<b>Long Term Liabilities</b>			
Long Term Borrowings	5	6.120.990.350	3.095.516.682
Long Term Lease Liabilities	5	659.906.368	491.701.254
Other Payables	7	63.932.845	42.757.696
<i>Due to third parties</i>		63.932.845	42.757.696
Deferred Income		19.937.402	19.732.428
Long Term Provisions		392.431.161	340.749.738
<i>Long Term Employee Benefits</i>		392.431.161	340.234.400
<i>Other Long Term Provisions</i>		-	515.338
Deferred Tax Liabilities		579.043.953	496.459.330
Other Long Term Liabilities		861.982.652	527.988.794
Derivative Financial Instruments		22.101.095	24.366.477
<b>Total Long Term Liabilities</b>		<b>8.720.325.826</b>	<b>5.039.272.399</b>
<b>Total Liabilities</b>		<b>17.869.278.809</b>	<b>13.542.890.676</b>
<b>Shareholder's Equity:</b>			
<b>Equity attributable to owners of the Company</b>		<b>10.844.053.228</b>	<b>8.017.858.925</b>
Share Capital		194.529.076	194.529.076
Share Premium		62.052.856	62.052.856
Put Option Valuation Fund on Non-Controlling Interest		(660.875.055)	(527.789.084)
Other Comprehensive Income or Expenses That will not be Reclassified to Profit or Loss		(62.287.555)	(18.853.844)
<i>Revaluation and Remeasurement Gain/(Loss)</i>		(102.314.652)	(58.880.941)
<i>Defined Benefit Plans Remeasurement Fund</i>		(102.314.652)	(58.880.941)
<i>Revaluation and Reclassification Gain/(Loss)</i>		40.027.097	40.027.097
<i>Other Revaluation and Reclassification Gain/(Loss)</i>		40.027.097	40.027.097
Other Comprehensive Income or Expenses That will be Reclassified to Profit or Loss		8.230.269.666	5.121.164.667
<i>Currency Translation Difference</i>		9.180.034.268	6.073.542.907
<i>Gain/Loss on Hedge Reserve</i>		(949.494.451)	(952.108.089)
<i>Investment Hedging Losses Related to Foreign Operations</i>		(954.135.431)	(954.135.431)
<i>Cash Flow Hedge Gains/Loss</i>		4.640.980	2.027.342
<i>Revaluation and Reclassification Gain/(Loss)</i>		(270.151)	(270.151)
<i>Other Revaluation and Reclassification Gain/(Loss)</i>		(270.151)	(270.151)
Restricted Reserves		443.403.797	408.833.825
Retained Earnings		2.686.351.457	1.488.723.818
Profit for the Period		(49.391.014)	1.289.197.611
<b>Total Non-Controlling Interests</b>	25	<b>2.788.887.286</b>	<b>2.008.456.479</b>
<b>Total Equity</b>		<b>13.632.940.514</b>	<b>10.026.315.404</b>
<b>Total Equity and Liabilities</b>		<b>31.502.219.323</b>	<b>23.569.206.080</b>

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF**  
**PROFIT OR LOSS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023 AND 2022**

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

	Notes	Reviewed 1 January- 30 June 2023	Unreviewed 1 April- 30 June 2023	Reviewed 1 January- 30 June 2022	Unreviewed 1 April- 30 June 2022
<b>PROFIT OR LOSS</b>					
Revenue	15	10.206.459.272	5.012.374.395	8.799.011.569	4.638.680.942
Cost of Sales	15	(8.714.380.412)	(4.288.352.390)	(6.911.022.370)	(3.785.623.232)
<b>GROSS PROFIT</b>		<b>1.492.078.860</b>	<b>724.022.005</b>	<b>1.887.989.199</b>	<b>853.057.710</b>
General and Administrative Expenses	16	(593.195.055)	(302.585.836)	(362.658.371)	(199.401.152)
Selling, Marketing and Distribution Expenses	16	(429.190.697)	(211.978.437)	(419.056.592)	(220.738.822)
Research and Development Expenses	16	(48.436.277)	(26.905.331)	(30.426.231)	(15.444.843)
Other Income From Operating Activities	17	226.003.817	75.263.014	187.859.471	103.973.270
Other Expense From Operating Activities	17	(169.941.228)	(45.541.255)	(195.314.780)	(84.552.284)
<b>OPERATING PROFIT</b>		<b>477.319.420</b>	<b>212.274.160</b>	<b>1.068.392.696</b>	<b>436.893.879</b>
Income From Investing Activities	18	25.524.731	13.855.098	6.633.435	3.096.086
Expense From Investing Activities	18	(10.432.098)	(4.491.628)	(2.493.147)	-
<b>OPERATING PROFIT BEFORE FINANCE COSTS</b>		<b>492.412.053</b>	<b>221.637.630</b>	<b>1.072.532.984</b>	<b>439.989.965</b>
Finance Income	19	234.165.894	191.540.659	398.174.535	249.254.537
Finance Expense (-)	19	(529.975.998)	(332.343.176)	(325.792.424)	(176.002.109)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>196.601.949</b>	<b>80.835.113</b>	<b>1.144.915.095</b>	<b>513.242.393</b>
Tax Expense From Continuing Operations		(146.379.434)	(121.049.943)	(250.596.353)	(103.197.174)
<i>Current Tax Expense</i>	20	(121.103.822)	(63.335.203)	(151.587.373)	(33.021.255)
<i>Deferred Tax Expense</i>	20	(25.275.612)	(57.714.740)	(99.008.980)	(70.175.919)
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>50.222.515</b>	<b>(40.214.830)</b>	<b>894.318.742</b>	<b>410.045.219</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	24	<b>(98.082)</b>	<b>(50.422)</b>	<b>(2.394.282)</b>	<b>(2.347.250)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>50.124.433</b>	<b>(40.265.252)</b>	<b>891.924.460</b>	<b>407.697.969</b>
<b>Profit/(Loss) Attributable to:</b>					
Non-Controlling Interests		99.515.447	42.864.735	111.350.032	44.381.031
Owners of the Company		(49.391.014)	(83.129.987)	780.574.428	363.316.938
Earnings (loss) per shares					
<i>Earnings/(losses) per share from continuing operations</i>	21	(2,54)	(4,27)	40,19	18,74
<i>Earnings/ (losses) per share from discontinuing operations</i>	21	(0,003)	(0,001)	(0,063)	(0,062)
<i>Earnings / (losses) per diluted shares from operations</i>	21	(2,54)	(4,27)	40,13	18,68

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF OTHER**  
**COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD 30 JUNE 2023 AND 2022**  
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

Notes	Reviewed 1 January- 30 June 2023	Unreviewed 1 April- 30 June 2023	Reviewed 1 January- 30 June 2022	Unreviewed 1 April- 30 June 2022
<b>PROFIT FOR THE PERIOD</b>	<b>50.124.433</b>	<b>(40.265.252)</b>	<b>891.924.460</b>	<b>407.697.969</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss</b>	<b>(43.433.711)</b>	<b>(43.433.711)</b>	-	-
<i>Defined benefit plans remeasurement fund</i>	<i>(54.195.223)</i>	<i>(54.195.223)</i>	-	-
<i>Deferred tax benefit/(expense)</i>	<i>10.761.512</i>	<i>10.761.512</i>	-	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>	<b>3.913.996.425</b>	<b>3.638.473.424</b>	<b>1.671.214.018</b>	<b>895.665.829</b>
<i>Foreign currency translation differences</i>	<i>3.911.382.787</i>	<i>3.627.249.829</i>	<i>1.649.566.463</i>	<i>886.134.388</i>
<i>Hedging gains/losses on investment risk related to foreign operation</i>	<i>3.267.047</i>	<i>14.029.493</i>	<i>27.793.648</i>	<i>12.306.761</i>
<i>Deferred tax benefit/(expense)</i>	<i>(653.409)</i>	<i>(2.805.898)</i>	<i>(6.146.093)</i>	<i>(2.775.320)</i>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>3.870.562.714</b>	<b>3.595.039.713</b>	<b>1.671.214.018</b>	<b>895.665.829</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>3.920.687.147</b>	<b>3.554.774.461</b>	<b>2.563.138.478</b>	<b>1.303.363.798</b>
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	904.406.873	791.867.399	407.908.808	216.516.188
Owners of the company	3.016.280.274	2.762.907.062	2.155.229.670	1.086.847.610

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



**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF OTHER**  
**COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD 30 JUNE 2023 AND 2022**

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

				Other comprehensive income or expenses that will not be reclassified to profit or loss		Other comprehensive income or expenses that will be reclassified to profit or loss			Retained earnings					
	Share Capital	Share Premium	Put option valuation fund on non-controlling interest	Revaluation and reclassification gain/(loss)		Currency translation differences	Gain/(loss) on hedge reserve	Rlevation and reclassification gain/(loss)	Restricted reserves	Retained earnings	Net profit for the year	Equity attributable to owners of the Company	Total non-controlling interests	Total Equity
				Defined benefit plans remeasurement fund	Other revaluation and reclassification gain/(loss)		Cash flow hedge gains / (losses)	Other revaluation and reclassification gain/(loss)						
<b>Balance at 1 January 2022</b>	194.529.076	62.052.856	-	(5.454.587)	40.027.097	3.849.799.350	(952.232.836)	(270.151)	171.866.392	1.117.130.373	768.560.878	5.246.008.448	1.237.568.448	6.483.576.896
Transfer	-	-	-	-	-	-	-	-	236.967.433	531.593.445	(768.560.878)	-	-	-
Total Comprehensive Income	-	-	-	-	-	1.353.007.687	21.647.555	-	-	-	780.574.428	2.155.229.670	407.908.808	2.563.138.478
Dividend paid(*)	-	-	-	-	-	-	-	-	-	(160.000.000)	-	(160.000.000)	(47.640.363)	(207.640.363)
<b>Balance at 30 June 2022</b>	194.529.076	62.052.856	-	(5.454.587)	40.027.097	5.202.807.037	(930.585.281)	(270.151)	408.833.825	1.488.723.818	780.574.428	7.241.238.118	1.597.836.893	8.839.075.011
<b>Balance at 1 January 2023</b>	194.529.076	62.052.856	(527.789.084)	(58.880.941)	40.027.097	6.073.542.907	(952.108.089)	(270.151)	408.833.825	1.488.723.818	1.289.197.611	8.017.858.925	2.008.456.479	10.026.315.404
Transfer	-	-	-	-	-	-	-	-	34.569.972	1.254.627.639	(1.289.197.611)	-	-	-
Total Comprehensive Income	-	-	-	(43.433.711)	-	3.106.491.361	2.613.638	-	-	-	(49.391.014)	3.016.280.274	904.406.873	3.920.687.147
Increase/(decrease) due to other changes (***)	-	-	(133.085.971)	-	-	-	-	-	-	-	-	(133.085.971)	-	(133.085.971)
Dividend paid (**)	-	-	-	-	-	-	-	-	-	(57.000.000)	-	(57.000.000)	(123.976.066)	(180.976.066)
<b>Balance at 30 June 2023</b>	194.529.076	62.052.856	(660.875.055)	(102.314.652)	40.027.097	9.180.034.268	(949.494.451)	(270.151)	443.403.797	2.686.351.457	(49.391.014)	10.844.053.228	2.788.887.286	13.632.940.514

(\*)At the 2021 Ordinary General Assembly Meeting held on March 22, 2022, the shareholders representing a capital of TL 194,529,076 for 2021 will receive a gross of 82.25%, depending on their legal status; It has been decided to pay dividends at a net rate of 74.02%, totaling TL 160,000,000.00 (gross 0.8225 TL/Krş per share, net 0.7402 TL/Krş) and to distribute the dividends in cash as of April 4, 2022.

(\*\*)At the 2022 Ordinary General Assembly Meeting held on March 27, 2023, the shareholders representing a capital of TL 194,529,076 for 2022 will receive a gross of 29.30%, depending on their legal status; It has been decided to pay dividends at a net rate of 26.37%, totaling TL 57,000,000.00 (gross 0.2930 TL/Krş per share, net 0.2637 TL/Krş) and to distribute the dividends in cash as of March 29, 2023.

(\*\*\*) The increase (decrease) due to other changes consists of the share purchase effect of the non-controlling shares of the Group's subsidiary Microtex Composites S.r.l. (Microtex) and the call/put option valuation fund on non-controlling interest of the Group's subsidiary Microtex Composites S.r.l

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**AS AT 30 JUNE 2023 AND 2022**

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

	Notes	Reviewed 1 January 30 June 2023	Reviewed 1 January- 30 June 2022
<b>A. CASH FLOWS FROM (USED IN) / OPERATING ACTIVITIES</b>			
Profit For The Period		555.895.777	15.518.421
<i>Profit/(Loss) for the Period from Continuing Operations</i>		50.124.433	891.924.460
<i>Profit/(Loss) from Discontinuing Operations</i>		50.222.515	894.318.742
		<i>(98.082)</i>	<i>(2.394.282)</i>
<b>Adjustments to Reconcile Profit/(Loss) for the Period</b>		<b>963.524.666</b>	<b>420.989.606</b>
Adjustments Related to Depreciation and Amortization	9,10,11	388.528.889	274.451.403
Adjustments Related to Provisions For (Reversal) of Impairment		40.101.014	(8.958.360)
<i>Adjustments Related to Provision For (Reversal) of Doubtful Receivables</i>	6	312.040	(6.111.593)
<i>Adjustments Related to Provision For (Reversal) of Inventory Allowances</i>	8	39.788.974	(2.846.767)
Adjustments Related to Provisions		12.087.590	(7.985.535)
<i>Adjustments Related to Provision (Reversal) to Employee Benefits</i>		13.977.687	16.108.515
<i>Adjustments Related to Other Provision (Reversal)</i>		(1.890.097)	(24.094.050)
Adjustments Related to Interest (Income)/Expense		352.061.038	140.228.134
<i>Adjustments Related to Interest Income</i>	18	(18.798.155)	(6.002.341)
<i>Adjustments Related to Interest Expense</i>	19	344.373.900	125.505.897
<i>Adjustments Related to Unrealized Finance Expenses On Credit Purchases</i>		(17.247.570)	(11.801.261)
<i>Adjustments Related to Unrealized Finance Income On Credit Sales</i>	6	43.732.863	32.525.839
Adjustments Related to Unrealized Currency Translation Difference		69.224.975	(29.591.929)
Currency Difference(Income)/Loss (net)		(80.469.040)	(223.743.383)
Other Finance (Income)/Expense(Net)		35.743.986	12.346.325
Adjustments Related to Fair Value Changes		(3.838.742)	13.512.740
<i>Adjustments Related to Fair Value Losses /(Gains) Of Derivatives</i>		(3.838.742)	13.512.740
Adjustments Related to Tax (Benefit)/Expense	20	146.379.434	250.596.353
Adjustments Related to Losses /(Gains) On Disposal of Non-Current Assets		3.705.522	1.862.053
<i>Adjustments Related to Gains on Disposal of Tangible Assets</i>	18	3.705.522	1.862.053
Other		-	(1.728.195)
<b>Changes In Working Capital</b>		<b>(457.753.322)</b>	<b>(1.297.395.645)</b>
(Increase)/Decrease in Trade Receivables		334.058.598	(694.500.603)
(Increase)/Decrease in Other Receivables		(66.177.133)	57.199.720
(Increase)/Decrease in Inventories		490.142.131	(701.378.118)
(Increase) In Prepaid Expenses		(121.686.251)	(130.440.296)
Increase/(Decrease) in Trade Payables		(1.023.766.179)	320.583.784
Increase/(Decrease) in Retirement Pay And Employee Benefit Obligation		(44.160.553)	6.045.411
Increase/(Decrease) in Other Payables		2.130.745	(87.432.700)
Decrease In Deferred Income		(9.872.097)	3.448.048
Other Increase/(Decrease) in Working Capital		114.432.354	92.127.202
<i>Decrease/(Increase) in Other Assets From Operating Activities</i>		23.424.885	25.553.546
<i>Increase/(Decrease) in Other Liabilities From Operating Activities</i>		91.007.469	66.573.656
Payments Related To The Provision Of Employee Benefits		(70.009.800)	-
Income Tax Returns/(Payments)		(65.844.704)	(170.405.056)
Other		2.999.567	7.356.963
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(331.395.457)</b>	<b>(135.699.774)</b>
Proceeds From Sales Of Property, Plant And Equipment		57.843.977	8.834.315
Acquisition Of Sales Of Property, Plant And Equipment And Intangible Assets		(408.037.589)	(150.536.430)
Interest Received		18.798.155	6.002.341
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(41.251.028)</b>	<b>810.559.467</b>
Proceeds From Borrowings	5	6.773.076.248	3.160.123.199
Cash Inflows /(Outflows) From Borrowing Transactions	5	(6.410.581.055)	(2.008.429.852)
Cash Outflows For Financial Lease Liabilities	5	(18.233.153)	(17.057.277)
Dividend Paid		(57.000.000)	(160.000.000)
Interest Paid	5	(223.082.151)	(65.032.510)
Cash outflows from derivatives (net)		18.545.149	(51.403.730)
Cash outflow for dividends paid to non-controlling interest and other financial instruments		(123.976.066)	(47.640.363)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT BEFORE THE IMPACT OF THE CURRENCY TRANSLATION DIFFERENCE (A+B+C)</b>		<b>183.249.292</b>	<b>690.378.114</b>
<b>D.IMPACT OF THE CURRENCY TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENT</b>		<b>315.956.322</b>	<b>103.500.378</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>799.228.246</b>	<b>194.805.294</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>1.298.433.860</b>	<b>988.683.786</b>

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

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2023**

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

**NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP**

Kordsa Teknik Tekstil Anonim Şirketi (“Kordsa” or the “Company”) was established in 1973 as a subsidiary of Hacı Ömer Sabancı Holding A.Ş. (“Sabancı Holding”) in İzmit district of Kocaeli city and is registered in Turkey. The Company operates under the Turkish Commercial Code.

The Company is mainly engaged in production of carcass and industrial fabrics included in the structure of vehicle tires, manufacture of industrial fabrics included in the structure of rubber and plastic materials such as transmission belts, V belts, rubber hoses etc., production of heavy denier fibre and connection fabrics, conversion of any type of yarn into cord fabric, fabric for mechanical rubber goods and other rubber reinforcement materials and the marketing thereof, production of Nylon 6, Nylon 6.6 and PET (Polyethylene-terephthalate) HMLS (High Modulus Low Shrinkage) polyester, and rayon heavy decitex yarn for use in tires and mechanical rubber goods; participating in capitals and management of every domestic and foreign company that is founded for mainly marketing, sales, import and export along with commercial and industrial infrastructure services, transportation services, mining, tourism and construction while providing these companies with the same management and behavioural principles to operate more efficiently, rationally and profitably, in accordance with and responding to the current conditions, creating competition conditions in favour of these companies.

Kordsa changed its name which was “Kordsa Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret Anonim Şirketi”, to “Kordsa Teknik Tekstil Anonim Şirketi” in accordance with the decision made at the General Assembly for the year 2016 dated 27 March 2017. The change of the title has been registered by the Registry of Commerce of Kocaeli on 10 April 2017.

Kordsa is registered with the Capital Markets Board of Turkey (“CMB”) and its shares have been traded in Borsa İstanbul (“BIST”) since 1986. As at 30 June 2023, 28,89% of the Group’s shares are listed on BIST. As of the same date, the shareholders owning the Group’s shares and the percentage of the shares are as follows:

<b>Shareholder Structure</b>	<b>Shareholding (%)</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>
Sabancı Holding A.Ş.	71,11	71,11
Other	28,89	28,89
	<b>100,00</b>	<b>100,00</b>

Company’s main shareholder and the ultimate controlling party is Sabancı Holding A.Ş.

Number of employees within the group is 4.810. (31 December 2022: 5.092).

The address of the registered office is as follows:

Kordsa Teknik Tekstil A.Ş.  
Alikahya Fatih Mah.  
Sanayici Cad. No:90  
41310 İzmit  
Kocaeli

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP (continued)**

**Subsidiaries**

Geographical divisions in which the subsidiaries that are consolidated in the consolidated financial statements as at 30 June 2023 and 31 December 2022 in accordance with the operating country and segment reporting purpose are as follows:

**30 June 2023**

<b>Company name</b>	<b>Country</b>	<b>Geographical division</b>	<b>Area of activity</b>
Nile Kordsa Company SAE (**)	Egypt	Europe, Middle East and Africa	Cord fabric manufacture and trade
Kordsa Inc.	United States of America	North America	Industrial yarn and cord fabric manufacture and trade
Fabric Development Inc.	United States of America	North America	Advanced composite manufacture to civil aviation sector
Textile Products. Inc.	United States of America	North America	Advanced composite manufacture to civil aviation sector
Axiom Materials Acquisition LLC	United States of America	North America	Advanced composite manufacture to civil aviation sector
Microtex Composites S.r.l	Italy	Europe	Carbon fiber weaving and prepreg production for the luxury automotive industry and motorsports
Kordsa Brezilya S.A.	Brazil	South America	Industrial yarn and cord fabric manufacture and trade
PT Indo Kordsa Tbk (*)	Indonesia	Asia	Industrial yarn and cord fabric manufacture and trade
Thai Indo Kordsa Co., Ltd.	Thailand	Asia	Cord fabric manufacture and trade
Kordsa Advanced Materials Gmbh	Germany	Europe	Research and Development Facility

**31 December 2022**

<b>Company name</b>	<b>Country</b>	<b>Geographical division</b>	<b>Area of activity</b>
Nile Kordsa Company SAE (**)	Egypt	Europe, Middle East, and Africa	Cord fabric manufacture and trade
Kordsa Inc.	United States of America	North America	Industrial yarn and cord fabric manufacture and trade
Fabric Development Inc.	United States of America	North America	Advanced composite manufacture in the civil aviation sector
Textile Products. Inc.	United States of America	North America	Advanced composite manufacture in the civil aviation sector
Advanced Honeycomb Technologies Corporation	United States of America	North America	Advanced composite manufacture in the civil aviation sector
Axiom Materials Acquisition LLC	United States of America	North America	Advanced composite manufacture in the civil aviation sector
Microtex Composites S.r.l	Italy	Europe	Carbon fiber weaving and prepreg production for the luxury automotive industry and motorsports
Kordsa Brezilya S.A.	Brazil	South America	Industrial yarn and cord fabric manufacture and trade
PT Indo Kordsa Tbk (*)	Indonesia	Asia	Industrial yarn and cord fabric manufacture and trade
PT Indo Kordsa Polyester (*)	Indonesia	Asia	Industrial yarn and cord fabric manufacture and trade
Thai Indo Kordsa Co., Ltd.	Thailand	Asia	Cord fabric manufacture and trade

(\*) The Company’s shares are traded on the Indonesia Stock Exchange (“IDX”).

(\*\*) According to the Group’s Board of Directors, decision numbered 2015/29 dated 31 December 2015, Group’s shares amounting to %51, Nile Kordsa Company for Industrial Fabrics S.A.E. %51 of rates, has been classified as “Assets Held for sale” in the consolidated statement of financial position as of 31 December 2015

The Company and its subsidiaries will collectively be referred to as the "Group".

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2023**

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

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

**Statement of Compliance to Turkish Financial Reporting Standards (“TFRS”s)**

The Group prepared its condensed consolidated interim financial statements for the period ended June 30, 2023, in accordance with TAS 34 “Interim Reporting” standard.

The explanations and footnotes required to be included in the annual financial statements prepared in accordance with the Turkish Accounting Standard (TMS)/Turkish Financial Reporting Standards (TFRS) pursuant to this Communiqué are summarized or not included in accordance with TAS 34. The 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 2022.

The accompanying condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS, and interpretations of TFRS.

The consolidated financial statements are presented in accordance with the TFRS Taxonomy Announcement and Financial Statements Example and User Guide published by CMB on 15 April 2019 numbered 30794.

The Company maintain its books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code (“TCC”) and tax legislation. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries.

**Approval of the Financial Statements:**

These consolidated financial statements have been approved to be issued during the meeting of the Board of Directors held on 7 August 2023, and have been signed by the Chief Finance Officer Volkan Özkan and Global Finance Group Manager Ceyda Özdemir Kolay on behalf of the Board of Directors. General Assembly and related regulatory authorities have the right to make changes to these consolidated financial statements.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2023**

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

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

**2.1 Basis of Presentation (continued)**

Conversion to presentation currency

Each item in the financial statements of the companies within the group is accounted for using the currency that is functional in the basic economic environment in which the companies operate ('the functional currency'). The functional currency of the Group is US Dollars. The presentation currency of the Group is TL. Financial statements prepared in USD within the scope of TAS 21 (“Effects of Currency Changes”) have been translated into TL using the following method:

- a. Assets in the balance sheet are translated into TL using the USD buying exchange rate, 25,8231 TL = 1 USD, announced by the Central Bank of the Republic of Turkey and the liabilities are converted into TL using the foreign exchange selling rate 25,8696 TL = 1 USD. The capital account of the company is shown over the nominal capital amount, all other equity items are kept at their historical TL values and all differences are accounted for in the foreign currency translation differences account.
- b. The profit or loss and other comprehensive income statements are translated into TL using the average exchange rates, 19,2178 TL = 1 USD.
- c. All the resulting exchange differences are presented as a separate component of equity under the name of translation differences.

Adjustment of the Financial Statements during High Inflation Periods:

In the announcement made by the Public Oversight Authority on January 20, 2022, it was stated that the companies applying TFRS do not need to make any adjustments within the scope of TAS 29 Financial Reporting in High Inflation Economies in their financial statements for the year ended on December 31, 2021. Since the Public Oversight Authority has not made a new announcement regarding the application of inflation accounting, no inflation adjustment has been made in accordance with TAS 29 while preparing the consolidated financial statements dated 30 June 2023.

Basis of Consolidation

The table below sets out all Subsidiaries and shows their shareholding rates as at 30 June 2023:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Group and its subsidiaries (%)</b>	<b>Proportion of effective interest (%)</b>
Nile Kordsa Company SAE	51,00	51,00
Kordsa Inc.	100,00	100,00
Fabric Development Inc.	100,00	100,00
Textile Products. Inc.	100,00	100,00
Axiom Materials Acquisition LLC(*)	100,00	100,00
Microtex Composites S.r.l.	60,00	60,00
Kordsa Brasil S.A.	97,31	97,31
PT Indo Kordsa Tbk(**)	61,59	61,59
Thai Indo Kordsa Co., Ltd.	64,19	39,53
Kordsa Advanced Materials Gmbh(***)	100,00	100,00

(\*) The merger process under the name of Axiom Materials Inc for Axiom Materials Inc and Advanced Honeycomb Technologies which are 100% subsidiaries of our subsidiary Kordsa Inc is completed.

(\*\*) Our indirect subsidiary PT Indo Kordsa Polyester is acquired by our subsidiary PT Indo Kordsa Tbk and the progress is completed after getting legal approvals relating the merger.

(\*\*\*) The incorporation of Kordsa Advanced Materials Gmbh based on Munich, Germany was completed on January 13, 2023.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2023**

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

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

**2.1 Basis of Presentation (continued)**

Basis of Consolidation (continued)

The table below sets out all Subsidiaries and shows their shareholding rates as at 31 December 2022:

<b>Subsidiaries</b>	<b>Direct and indirect ownership interest by the Group and its subsidiaries (%)</b>	<b>Proportion of effective interest (%)</b>
Nile Kordsa Company SAE	51,00	51,00
Kordsa Inc.	100,00	100,00
Fabric Development Inc.	100,00	100,00
Textile Products. Inc.	100,00	100,00
Advanced Honeycomb Technologies Corporation	100,00	100,00
Axiom Materials Acquisition LLC	100,00	100,00
Microtex Composites S.r.l.	60,00	60,00
Kordsa Brasil S.A.	97,31	97,31
PT Indo Kordsa Tbk	61,59	61,59
PT Indo Kordsa Polyester	99,97	61,56
Thai Indo Kordsa Co., Ltd.	64,19	39,53

The interim condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- 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 the amount of the investor’s returns.

In the event that a situation or an event arises that may cause any change in at least one of these conditions, the Group re-evaluates whether it has control over its investment.

When the Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to the control power, including:

- The comparison of voting rights held by the Group to those held by the other shareholders;
- Potential voting rights held by the Group and other shareholders;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate whether the Group 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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

**2.1 Basis of Presentation (continued)**

Basis of Consolidation (continued)

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

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

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 the 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 recognised 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.

**2.2 Changes in Accounting Policies, Comparative Information and Restatement of Prior Periods’ Financial Statements**

Accounting policies have been consistently applied by the Group in all periods presented in the consolidated financial statements. Significant changes in accounting policies are applied retrospectively and previous period consolidated financial statements are rearranged.

There is no change in accounting policies while preparing the consolidated financial statements as of 30 June 2023



**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**2.3 Changes in Accounting Estimates and Errors**

Changes in the accounting estimates should be accounted for in financial statements prospectively; if the change is related to only one period, it should be accounted at the current year that the change is performed, but if it is related to more than one period it should be accounted at both the current and future periods. There are no significant changes in the accounting estimates for the current period.

**2.4 New and Revised Turkish Accounting Standards**

**Standards issued but not yet effective and not early adopted as of 30 June 2023**

**Amendments published but not yet effective and not early adopted**

A number of new standards, interpretations of and amendments to existing standards are not effective at the reporting date and earlier application is permitted; however, the Group has not early adopted are as follows.

**Classification of Liabilities as Current or Non-current (Amendments to TAS 1)**

On 23 January 2020, IASB issued “Classification of Liabilities as Current or Non-Current” which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Related amendment was published by POA as “TFRS 2023” on 3 January 2023.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments

The Group does not expect that application of these amendments to TAS 1 will have significant impact on its consolidated financial statements.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases**

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Related amendment was published by POA as “TFRS 2023” on 3 January 2023. Amendments to TFRS 16 *Leases* impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of TFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of TFRS 16 in 2019, and potentially restate those that included variable lease payments.

The Group does not expect that application of these amendments to Amendments to TFRS 16 Leases will have significant impact on its consolidated financial statements.

***The new standards, amendments and interpretations that are issued by the IASB/ISSB but not issued by POA***

**IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures**

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS® Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on.

The ISSB’s first two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies’ future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements**

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows.

The IASB’s amendments apply to supplier finance arrangements<sup>1</sup> that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company’s liabilities and cash flows, and the company’s exposure to liquidity risk.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Group does not expect that application of these amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements will have significant impact on its consolidated financial statements.

**Amendments are effective on 1 January 2023**

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2023:

- 1- Disclosure of Accounting Policies (Amendments to TAS 1)
- 2- Definition of Accounting Estimates (Amendments to TAS 8)
- 3- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes
- 4- TFRS 17 – Insurance Contracts
- 5- Initial Application of TFRS 17 and TFRS 9—Comparative Information (Amendment to TFRS 17)
- 6- Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

These newly adopted amendments to standards have not been a significant impact on the consolidated financial statements of the Group.

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**NOTE 3 -SEGMENT REPORTING**

The reportable geographical segments for segment reporting are as follows:

**a) Segment analysis for the period 1 January – 30 June 2023**

	Europe, Middle East and Africa(**)	North America	South America	Asia	Intersegment elimination (*)	Total
External Revenue	3.789.221.247	3.136.704.230	988.361.395	2.292.172.400	-	10.206.459.272
Intersegment Revenue	358.376.686	233.760.475	11.541.344	224.303.958	(827.982.463)	-
Revenue	4.147.597.933	3.370.464.705	999.902.739	2.516.476.358	(827.982.463)	10.206.459.272
Segment Operating Expenses, net	(3.987.926.444)	(3.306.198.741)	(996.343.518)	(2.224.582.204)	785.911.054	(9.729.139.852)
Segment Operating Results	159.671.489	64.265.964	3.559.221	291.894.154	(42.071.409)	477.319.420
<b>OPERATING PROFIT</b>	<b>159.671.489</b>	<b>64.265.964</b>	<b>3.559.221</b>	<b>291.894.154</b>	<b>(42.071.409)</b>	<b>477.319.420</b>

**b) Segment analysis for the period 1 April – 30 June 2023**

	Europe, Middle East and Africa(**)	North America	South America	Asia	Intersegment elimination (*)	Total
External Revenue	1.844.701.539	1.530.785.371	490.011.183	1.146.876.303	-	5.012.374.396
Intersegment Revenue	154.292.224	96.780.506	11.541.344	149.102.668	(411.716.742)	-
Revenue	1.998.993.763	1.627.565.877	501.552.527	1.295.978.971	(411.716.742)	5.012.374.396
Segment Operating Expenses, net	(1.910.108.014)	(1.623.642.766)	(510.247.568)	(1.159.229.293)	403.127.405	(4.800.100.236)
Segment Operating Results	88.885.749	3.923.111	(8.695.041)	136.749.678	(8.589.337)	212.274.160
<b>OPERATING PROFIT</b>	<b>88.885.749</b>	<b>3.923.111</b>	<b>(8.695.041)</b>	<b>136.749.678</b>	<b>(8.589.337)</b>	<b>212.274.160</b>

(\*) Unallocated consolidation adjustments are included in this line.

(\*\*) Kordsa Teknik Tekstil A.Ş. has been included in Europe, Middle East and Africa Segment.

**c) Segment analysis for the period 1 January – 30 June 2022**

	Europe, Middle East and Africa(**)	North America	South America	Asia	Intersegment elimination (*)	Total
External revenue	2.985.516.165	2.413.486.098	994.519.158	2.405.490.148	-	8.799.011.569
Intersegment revenue	159.695.832	1.077.529.287	584.187	134.056.969	(1.371.866.275)	-
Revenue	3.145.211.997	3.491.015.385	995.103.345	2.539.547.117	(1.371.866.275)	8.799.011.569
Segment operating expenses, net	(2.667.549.570)	(3.335.193.494)	(916.302.932)	(2.197.347.153)	1.385.774.276	(7.730.618.873)
Segment operating results	477.662.427	155.821.891	78.800.413	342.199.964	13.908.001	1.068.392.696
<b>OPERATING PROFIT</b>	<b>477.662.427</b>	<b>155.821.891</b>	<b>78.800.413</b>	<b>342.199.964</b>	<b>13.908.001</b>	<b>1.068.392.696</b>

**d) Segment analysis for the period 1 April – 30 June 2022**

	Europe, Middle East and Africa(**)	North America	South America	Asia	Intersegment elimination (*)	Total
External revenue	1.524.880.284	1.296.123.097	546.374.124	1.271.303.437	-	4.638.680.942
Intersegment revenue	74.326.676	446.097.080	584.196	73.742.541	(594.750.493)	-
Revenue	1.599.206.960	1.742.220.177	546.958.320	1.345.045.978	(594.750.493)	4.638.680.942
Segment operating expenses, net	(1.437.139.904)	(1.688.027.776)	(512.574.597)	(1.201.221.388)	637.176.602	(4.201.787.063)
Segment operating results	162.067.056	54.192.401	34.383.723	143.824.590	42.426.109	436.893.879
<b>OPERATING PROFIT</b>	<b>162.067.056</b>	<b>54.192.401</b>	<b>34.383.723</b>	<b>143.824.590</b>	<b>42.426.109</b>	<b>436.893.879</b>

(\*) Unallocated consolidation adjustments are included in this line.

(\*\*) Kordsa Teknik Tekstil A.Ş. has been included in Europe, Middle East and Africa Segment.

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**NOTE 3 - SEGMENT REPORTING (continued)**

<b>e) Segment Assets</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
North America	14.215.307.313	10.138.717.623
Europe, Middle East and Africa	9.084.056.789	7.003.503.930
Asia	7.724.454.939	5.452.679.542
South America	2.281.811.835	1.431.159.274
<b>Segment Assets (*)</b>	<b>33.305.630.876</b>	<b>24.026.060.369</b>
Unallocated Assets	1.111.288.333	1.017.897.683
Less: Intersegment Eliminations	(2.914.699.886)	(1.474.751.972)
<b>Total Assets per Consolidated Financial Statements</b>	<b>31.502.219.323</b>	<b>23.569.206.080</b>

(\*) Segment assets mainly comprised assets regarding operations. Deferred tax assets, time deposits and available sale financial investments that generate financial income have not been associated with segments.

**f) Segment Liabilities**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Europe, Middle East and Africa	9.692.772.744	7.268.551.351
North America	6.624.353.642	4.683.230.452
Asia	1.655.304.125	1.088.850.338
South America	645.977.094	443.283.457
<b>Segment Liabilities (**)</b>	<b>18.618.407.605</b>	<b>13.483.915.598</b>
Unallocated Liabilities	1.431.607.522	1.139.014.401
Less: Intersegment Eliminations	(2.180.736.318)	(1.080.039.323)
<b>Total Liabilities per Consolidated Financial Statements</b>	<b>17.869.278.809</b>	<b>13.542.890.676</b>

(\*\*) Segment liabilities mainly comprised liabilities regarding operations. Tax liabilities, and financial lease liabilities have not been associated with segments.

The segment reporting based on industry groups of reportable segments is as follows::

**a) External revenue**

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Industrial Yarn and Cord Fabric	7.956.570.152	3.883.732.451	7.559.859.513	3.952.084.015
Advanced Composite Materials	2.016.973.340	1.011.881.678	792.112.359	459.903.706
Other	232.915.780	116.760.266	447.039.697	226.693.221
	<b>10.206.459.272</b>	<b>5.012.374.395</b>	<b>8.799.011.569</b>	<b>4.638.680.942</b>

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

The details of cash and cash equivalents as at 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash	3.795.674	6.085.972
Bank-Demand Deposits	1.134.601.785	395.715.321
Bank-Time Deposits	160.036.401	119.970.447
Other (*)	-	277.456.506
	<b>1.298.433.860</b>	<b>799.228.246</b>

Time deposits have less than 3 months maturity. Average annual interest rate for time deposits are 0,01% for Euro (31 December 2022: 0,01%), Average annual interest rate for time deposits are 0,01% for US Dollars (31 December 2022: 0,05%) Average annual interest rate for time deposits are 13,5% for TL (31 December 2022: 13,5%).

There are no restricted cash and cash equivalents of the Group as at 30 June 2023 and 31 December 2022.

(\*) Other cash and cash equivalents consist of short-term free liquid funds that the Company bought from Ak Portföy Yönetimi A.Ş. The interest rate of the related fund is 27%.

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**NOTE 5 – BORROWINGS**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Short-Term Borrowings	3.405.112.283	3.544.069.320
Short-Term Portion of Long Term Borrowings	1.874.696.708	1.260.253.327
Lease Liabilities	97.314.792	53.041.833
<b>Total Short-Term Financial Borrowings</b>	<b>5.377.123.783</b>	<b>4.857.364.480</b>
Long-Term Borrowings	6.120.990.350	3.095.516.682
Lease Liabilities	659.906.368	491.701.254
<b>Total Long-Term Financial Borrowings</b>	<b>6.780.896.718</b>	<b>3.587.217.936</b>
<b>Total Borrowings</b>	<b>12.158.020.501</b>	<b>8.444.582.416</b>

The details of long and short term borrowings as of 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Weighted average effective interest rate %</b>	<b>TL</b>	<b>Weighted average effective interest rate %</b>	<b>TL</b>
<b>Short-Term Borrowings</b>				
TL Borrowings	12,06	634.602.501	14,84	471.262.278
USD Borrowings	7,52	1.491.871.477	5,28	1.583.948.316
EUR Borrowings	8,23	1.090.448.442	4,44	1.396.608.500
Other Borrowings (*)	4,33	188.189.863	3,34	92.250.226
		<b>3.405.112.283</b>		<b>3.544.069.320</b>
<b>Short-Term Portion of Long Term Borrowings</b>				
USD Borrowings	7,37	1.857.535.262	3,86	1.248.383.733
Other Borrowings (*)	9,15	17.161.446	6,25	11.869.594
		<b>1.874.696.708</b>		<b>1.260.253.327</b>
<b>Total Short-Term Borrowings</b>		<b>5.279.808.991</b>		<b>4.804.322.647</b>
<b>Long-Term Borrowings</b>				
USD Borrowings	8,55	5.894.825.381	4,05	2.910.216.888
EUR Borrowings	4,8	191.842.029	3,60	155.621.558
Other Borrowings (*)	9,15	34.322.940	8,40	29.678.236
<b>Total Long-Term Borrowings</b>		<b>6.120.990.350</b>		<b>3.095.516.682</b>

(\*) Consists of Indonesian Rupiah(IDR), Thai Baht(THB) and Brazilian Real(BRL) currency loans.

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**NOTE 5 – BORROWINGS (continued)**

The fair value of the loans used by the Group is equal to their book value.

As of 30 June 2023 and 31 December 2022, the redemption schedules of the long term-borrowings are summarized below:

	<b>30 June 2023</b>	<b>31 December 2022</b>
1 to 2 years	2.186.755.471	1.357.027.879
2 to 3 years	1.649.471.804	773.781.812
3 to 4 years	1.608.277.979	643.137.994
4 to 5 years	497.504.113	321.568.997
Over 5 years	178.980.983	-
	<b>6.120.990.350</b>	<b>3.095.516.682</b>

There is a financial commitment that could not be partially meet in this period within the scope of the loan agreements in USD. Related financial institutions were informed, actions have taken for the waiver and necessary adjustments have been made according to TAS 1.

The reconciliation of the Group’s obligations arising from its financial activities and lease liabilities are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
<b>1 January Financial Liabilities</b>	<b>8.444.582.416</b>	<b>4.434.124.302</b>
Proceed from Borrowings	6.773.076.248	3.160.123.199
Repayment of Borrowings	(6.410.581.055)	(2.008.429.852)
Interest Expense Recognized in the Statement of Profit or Loss (Note 19)	344.373.900	125.505.897
Interest Payment	(223.082.151)	(65.032.510)
New Lease Liability Agreements	12.899.202	11.833.934
Lease Liability Repayments	(18.233.153)	(17.057.277)
Currency Translation Differences	3.234.985.094	1.017.926.907
<b>30 June Financial Liabilities</b>	<b>12.158.020.501</b>	<b>6.658.994.600</b>

**NOTE 6 - TRADE RECEIVABLES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Trade Receivables</b>		
Trade Receivables	4.635.995.872	3.607.172.196
Cheques Received	12.781.100	47.071.100
Due from Related Parties (Note 22)	240.314.412	250.835.834
	<b>4.889.091.384</b>	<b>3.905.079.130</b>
Less: Provision for Doubtful Receivables	(23.377.590)	(16.431.373)
Less: Unearned Credit Finance Income	(43.732.862)	(29.068.018)
	<b>4.821.980.932</b>	<b>3.859.579.739</b>

As at 30 June 2023, the annual interest rates used for the discount of trade receivables and payables are 14.39%, 9.90% and 9.04% for TL, USD and Euro, respectively (31 Decemeber 2022: 13.54%, 7.93%, and 6.93%). As at 30 June 2023, the average maturity of trade receivables is 72 days and the average maturity of trade payables is 61 days (31 December 2022: 71 days, 63 days respectively).



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**NOTE 6 - TRADE RECEIVABLES (continued)**

As of 30 June 2023, trade receivables amounting to TL 425.513.923 TL (31 December 2022: TL 451.411.438) were past due not impaired. The aging of these receivables as of 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Up to 1 month	311.436.411	287.577.382
1 to 3 months	48.465.977	109.809.406
3 to 12 months	18.783.561	48.828.323
1 to 5 years	46.827.974	5.196.327
	<b>425.513.923</b>	<b>451.411.438</b>

As of 30 June 2023, trade receivables amounting to TL 23.377.590 (31 December 2022: TL 16.431.373) are overdue and the provision for doubtful receivables has been set aside. As of 30 June 2023 and 31 December 2022, the aging schedule of the related receivables is as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Up to 1 month	1.062.372	939.263
1 to 3 months	3.546.371	996.710
3 to 12 months	8.231.452	6.522.707
1 to 5 months	10.537.395	7.972.693
	<b>23.377.590</b>	<b>16.431.373</b>

Movement schedules of provision for doubtful receivables for the three months periods ended 30 June 2023 and 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
Balance on 1 January	<b>16.431.373</b>	<b>19.532.353</b>
Additions	10.575.164	-
Disposals	(10.263.124)	(6.111.593)
Currency Translation Differences	6.634.177	4.142.182
<b>Balance on 30 June</b>	<b>23.377.590</b>	<b>17.562.942</b>

**NOTE 7 - OTHER RECEIVABLES AND PAYABLES**

<b>Other Short-Term Receivables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Taxes and Other Duties (*)	175.488.959	94.406.061
Other	302.253.759	150.020.570
	<b>477.742.718</b>	<b>244.426.631</b>
<b>Other Long-Term Receivables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Litigation Guarantee Receivables (**)	92.527.187	61.044.877
Other	3.564.092	2.331.567
	<b>96.091.279</b>	<b>63.376.444</b>

(\*) Prepaid taxes and other withholding taxes mainly comprise VAT receivables of Kordsa Brazil arising from production incentives related to state regulations.

(\*\*) Litigation guarantee receivables comprise guarantees given to courts by Kordsa Brazil.

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**NOTE 7 - OTHER RECEIVABLES AND PAYABLES (continued)**

<b>Other Short Term Payables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Taxes and Duties Payable	94.675.030	69.777.473
Other	88.498.460	11.816.651
<b>183.173.490</b>	<b>183.173.490</b>	<b>81.594.124</b>

<b>Other Long Term Payables</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Taxes and Duties Payable (***)	63.932.845	42.757.696
<b>63.932.845</b>	<b>63.932.845</b>	<b>42.757.696</b>

(\*\*\*) Taxes and duties payables mainly comprise of the employee and tax related law suits against Kordsa Brasil.

**NOTE 8 - INVENTORIES**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Finished Goods	2.419.573.546	2.109.464.542
Raw Materials and Supplies	2.803.938.592	2.305.202.178
Semi-Finished Goods	455.274.404	202.550.585
Intermediate Goods	907.187.804	687.239.826
Spare Parts	313.560.845	206.372.217
Other Inventories	191.856.289	103.018.881
<b>7.091.391.480</b>	<b>7.091.391.480</b>	<b>5.613.848.229</b>
Less: Provision for Obsolescence	(211.512.452)	(116.576.248)
<b>6.879.879.028</b>	<b>6.879.879.028</b>	<b>5.497.271.981</b>

Movement schedules for provision for impairment in value as of 30 June 2023 and 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
Balances at 1 January	116.576.248	64.279.766
Additions	45.442.295	7.938.667
Disposals	(5.653.321)	(10.785.434)
Currency Translation Differences	55.147.230	15.785.844
<b>Balances at 30 June</b>	<b>211.512.452</b>	<b>77.218.843</b>

The amount of provision for inventory obsolescence is classified to cost of goods sold for the periods 30 June 2023 and 30 June 2022. The amount of provision for impairment of inventory charged to cost of goods sold for the six month period ended 30 June 2023 is TL 39.788.974 (1 January – 30 June 2022: TL 2.846.767)

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT**

The movement of property, plant and equipment for the six month periods ended 30 June 2023 is as follows:

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers(*)</b>	<b>Currency Translation Differences</b>	<b>30 June 2023</b>
<b>Cost:</b>						
Land and land improvements	253.098.156	-	-	1.194.778	94.104.483	348.397.417
Buildings	1.771.419.385	10.146.273	-	7.744.483	678.830.327	2.468.140.468
Machinery and equipment	9.467.549.415	81.573.634	(173.467.472)	139.240.981	3.690.794.953	13.205.691.511
Motor vehicles	8.204.576	-	(88.417)	-	3.234.544	11.350.703
Furniture and fixtures	333.470.871	3.651.107	(3.474.015)	14.575.475	140.390.540	488.613.978
Construction in progress	853.049.916	299.566.615	(1.611.893)	(200.011.019)	350.403.384	1.301.397.003
	<b>12.686.792.319</b>	<b>394.937.629</b>	<b>(178.641.797)</b>	<b>(37.255.302)</b>	<b>4.957.758.231</b>	<b>17.823.591.080</b>
<b>Accumulated depreciation:</b>						
Land improvements	53.197.366	1.418.103	-	-	20.879.834	75.495.303
Buildings	934.089.818	37.141.975	-	(2.481)	367.088.749	1.338.318.061
Machinery and equipment	5.593.657.116	216.874.537	(113.889.531)	2.481	2.203.873.496	7.900.518.099
Motor vehicles	2.814.283	180.203	(88.417)	-	1.240.693	4.146.762
Furniture and fixtures	269.468.102	15.396.224	(3.114.350)	-	111.531.969	393.281.945
	<b>6.853.226.685</b>	<b>271.011.042</b>	<b>(117.092.298)</b>	<b>-</b>	<b>2.704.614.741</b>	<b>9.711.760.170</b>
<b>Net book value</b>	<b>5.833.565.634</b>					<b>8.111.830.910</b>

(\*) For the six months period ended 30 June 2023, TL 37.255.302 was transferred to other intangible assets.

TL 287.669.662 (30 June 2022: TL 213.011.255) of depreciation and amortization expenses related to tangible fixed assets, intangible assets and asset usage rights in the current period is to cost of goods sold, TL 3.039.483 (30 June 2022: TL 1.719.534) research and development expenses, TL 95.343.861 (30 June 2022: TL 58.425.361) are included in general administrative expenses, TL 2.475.883 (30 June 2022: TL 1.295.253) in sales and marketing expenses.

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (continued)**

The movement of property, plant and equipment for the six month periods ended 30 June 2022 is as follows:

	<b>1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers(*)</b>	<b>Currency Translation Differences</b>	<b>30 June 2022</b>
<b>Cost:</b>						
Land and land improvements	171.833.973	-	-	-	39.407.260	211.241.233
Buildings	1.236.777.638	6.955.903	-	307.966	302.121.052	1.546.162.559
Machinery and equipment	6.446.687.486	14.284.887	(10.695.464)	33.587.501	1.619.259.692	8.103.124.102
Motor vehicles	6.435.329	-	-	-	1.675.044	8.110.373
Furniture and fixtures	218.707.451	335.854	(936.266)	3.185.081	59.583.403	280.875.523
Construction in progress	175.413.173	121.630.821	(5.955.914)	(46.902.253)	54.071.609	298.257.436
	<b>8.255.855.050</b>	<b>143.207.465</b>	<b>(17.587.644)</b>	<b>(9.821.705)</b>	<b>2.076.118.060</b>	<b>10.447.771.226</b>
<b>Accumulated depreciation:</b>						
Land improvements	36.590.096	706.335	-	-	9.301.158	46.597.589
Buildings	634.023.961	17.198.719	-	-	153.768.415	804.991.095
Machinery and equipment	3.626.704.011	176.843.666	(6.399.823)	-	929.404.387	4.726.552.241
Motor vehicles	2.568.773	168.688	-	-	716.725	3.454.186
Furniture and fixtures	170.710.996	9.483.556	(491.453)	-	46.455.606	226.158.705
	<b>4.470.597.837</b>	<b>204.400.964</b>	<b>(6.891.276)</b>	<b>-</b>	<b>1.139.646.291</b>	<b>5.807.753.816</b>
<b>Net book value</b>	<b>3.785.257.213</b>					<b>4.640.017.413</b>

(\*) For the six months period ended 30 June 2022, TL 9.821.705 was transferred to other intangible assets.

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**NOTE 10 – INTANGIBLE ASSETS**

The movement of intangible assets for the six month periods ended 30 June 2023 is as follows

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency Translation Differences</b>	<b>30 June 2023</b>
<b>Cost:</b>						
Rights	79.009.853	1.331.439	-	-	31.124.864	111.466.156
Technology licences	291.275.314	-	-	-	111.832.119	403.107.433
Capitalized development costs	182.895.674	7.936.912	-	36.340.536	84.909.140	312.082.262
Computer software	76.883.714	3.831.609	-	914.766	31.262.584	112.892.673
Customer relationships	1.682.620.657	-	-	-	641.145.754	2.323.766.411
Trademarks	521.565.284	-	-	-	198.737.362	720.302.646
Other intangible assets	82.774.734	-	-	-	31.540.485	114.315.219
	<b>2.917.025.230</b>	<b>13.099.960</b>	<b>-</b>	<b>37.255.302</b>	<b>1.130.552.308</b>	<b>4.097.932.800</b>
<b>Accumulated Depreciation:</b>						
Rights	38.823.016	3.725.372	-	-	16.289.276	58.837.664
Technology licences	123.268.391	17.002.296	-	-	53.422.372	193.693.059
Capitalized development costs	89.851.894	17.591.160	-	-	40.283.411	147.726.465
Computer software	76.271.179	4.009.669	-	-	30.899.928	111.180.776
Customer relationships	254.617.687	39.701.187	-	-	110.665.191	404.984.065
Trademarks	932.671	1.720.567	-	-	946.502	3.599.740
Other intangible assets	36.251.322	933.883	-	-	14.134.188	51.319.393
	<b>620.016.160</b>	<b>84.684.134</b>	<b>-</b>	<b>-</b>	<b>266.640.868</b>	<b>971.341.162</b>
<b>Net book value</b>	<b>2.297.009.070</b>					<b>3.126.591.638</b>

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**NOTE 10 – INTANGIBLE ASSETS (continued)**

The movement of intangible assets for the six month periods ended 30 June 2022 is as follows.

	<b>1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency Translation Differences</b>	<b>30 June 2022</b>
<b>Cost:</b>						
Rights	44.028.408	736.304	-	194.581	9.840.916	54.800.209
Technology licences	195.617.354	-	(13.611.062)	-	47.338.535	229.344.827
Capitalized development costs	99.213.650	-	-	9.627.124	26.098.920	134.939.694
Computer software	48.078.389	6.592.661	(4.658.746)	-	11.041.986	61.054.290
Customer relationships	1.035.789.621	-	-	-	258.959.359	1.294.748.980
Trademarks	323.981.491	-	-	-	81.099.254	405.080.745
Other intangible assets	57.526.170	-	-	-	16.231.496	73.757.666
	<b>1.804.235.083</b>	<b>7.328.965</b>	<b>(18.269.808)</b>	<b>9.821.705</b>	<b>450.610.466</b>	<b>2.253.726.411</b>
<b>Accumulated Depreciation:</b>						
Rights	18.827.438	1.760.110	-	-	6.330.960	26.918.508
Technology licences	79.117.316	11.098.166	(13.611.062)	-	19.574.032	96.178.452
Capitalized development costs	44.825.151	10.072.287	-	-	12.561.011	67.458.449
Computer software	53.175.928	2.216.002	(4.658.746)	-	14.080.883	64.814.067
Customer relationships	130.550.131	27.335.299	-	-	36.314.250	194.199.680
Other intangible assets	25.475.761	713.707	-	-	5.403.266	31.592.734
	<b>351.971.725</b>	<b>53.195.571</b>	<b>(18.269.808)</b>	<b>-</b>	<b>94.264.402</b>	<b>481.161.890</b>
<b>Net book value</b>	<b>1.452.263.358</b>					<b>1.772.564.521</b>

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**NOTE 10 - RIGHT OF USE ASSETS**

The movement of right of lease assets for the six month periods ended 30 June 2023 is as follows:

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency Translation Differences</b>	<b>30 June 2023</b>
<b>Cost</b>						
Property	543.335.686	2.246.066	-	2.020.371	211.232.593	758.834.716
Fixture	736.759	-	-	-	432.851	1.169.610
Vehicles	58.391.069	9.020.353	(3.314.754)	(2.020.371)	23.350.793	85.427.090
Other	39.649.193	1.632.783	-	-	15.517.011	56.798.987
	<b>642.112.707</b>	<b>12.899.202</b>	<b>(3.314.754)</b>	<b>-</b>	<b>250.533.248</b>	<b>902.230.403</b>
<b>Accumulated depreciation:</b>						
Property	96.712.513	18.625.859	-	1.035.069	43.608.980	159.982.421
Fixture	461.194	34.709	-	-	576.257	1.072.160
Vehicles	23.521.236	8.733.247	(3.314.754)	(1.035.069)	10.025.543	37.930.203
Other	20.004.528	5.439.898	-	-	9.492.266	34.936.692
	<b>140.699.471</b>	<b>32.833.713</b>	<b>(3.314.754)</b>	<b>-</b>	<b>63.703.046</b>	<b>233.921.476</b>
<b>Net book value</b>	<b>501.413.236</b>					<b>668.308.927</b>

The movement of right of lease assets for the six month periods ended 30 June 2022 is as follows:

	<b>1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency Translation Difference</b>	<b>30 June 2022</b>
<b>Cost</b>						
Property	262.912.186	387.070	-	(8.929.638)	66.571.833	320.941.451
Fixture	697.488	-	-	-	61.208	758.696
Vehicles	18.034.085	4.614.921	(737.074)	2.119.220	4.658.595	28.689.747
Other	20.655.757	6.831.943	-	6.796.433	5.601.169	39.885.302
	<b>302.299.516</b>	<b>11.833.934</b>	<b>(737.074)</b>	<b>(13.985)</b>	<b>76.892.805</b>	<b>390.275.196</b>
<b>Accumulated depreciation:</b>						
Property	46.854.330	11.102.460	-	727.656	13.534.649	72.219.095
Fixture	373.972	31.253	-	-	32.818	438.043
Vehicles	14.889.770	2.810.252	(737.074)	(2.150.234)	3.129.239	17.941.953
Other	7.181.298	2.910.904	-	1.408.593	2.698.949	14.199.744
	<b>69.299.370</b>	<b>16.854.869</b>	<b>(737.074)</b>	<b>(13.985)</b>	<b>19.395.655</b>	<b>104.798.835</b>
<b>Net book value</b>	<b>233.000.146</b>					<b>285.476.361</b>

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**NOTE 12 – INVESTMENT PROPERTY**

	<b>2023</b>	<b>2022</b>
<b>Balance as at 1 January – Opening</b>	<b>426.405.882</b>	<b>319.699.817</b>
Currency translation differences	162.477.692	79.928.552
<b>Balances at 30 June- Closing</b>	<b>588.883.574</b>	<b>399.628.369</b>

(\*) As of 31 December 2022, the fair value of the Group’s investment property in PT Indo Kordsa Company in the Asia Pacific Region has been revalued by independent experts who are not related to the Group and have appropriate qualifications and recent experience in the valuation of properties. The estimated fair values of lands owned have been determined by taking reference of the market transaction prices of similar properties. When determining the fair values of the lands the highest value in use has been considered. In the current period, no different valuation methodology is performed. As of 30 June 2023, the fair value hierarchy level of investment properties measured by the revaluation method is 2.

**NOTE 13 – GOODWILL**

As at 30 June 2023 the goodwill having net book value amounting 134.508.928 USD (31 December 2022: 134.508.928 USD) consist of 3.193.789 USD (31 December 2022: 3.193.789 USD) which accrued in consequence of the merger with Dusa Endüstriyel İplik ve Sanayi ve Ticaret A.Ş on 30 September 1999, 226.961 USD (31 December 2022: 226.961 USD) which accrued in consequence of the acquisition of the PT Indo Kordsa Group on 22 December 2006, respectively 9.656.000 USD (31 December 2022: 9.656.000 USD) and 19.893.604 USD (31 December 2022: 19.893.604 USD) which accrued in consequence of the acquisition of the Fabric Development Inc. (“FDI”) and Textile Products, Inc.(“TPI”) on 13 July 2018, 1.268.000 USD (31 December 2022: 1.268.000 USD) accrued in consequence of the acquisition of the Advanced Honeycomb Technologies Corporation (“AHT”) on 1 October 2018, and 88.764.556 USD (31 December 2022: 88.764.556 USD) which accrued in consequence of the acquisition of the Axiom Materials Acquisition LLC (“AXM”) on 23 July 2019 and USD 11.506.020 (31 December 2022: USD 11.506.020) consists of Microtex acquisition.

As at 30 June, the movements in goodwill is as follow;

	<b>1 January - 30 June 2023</b>	<b>1 January - 30 June 2022</b>
<b>Balance at the beginning of the year</b>	<b>2.515.088.288</b>	<b>1.639.505.779</b>
Currency translation difference	958.349.211	409.894.872
<b>Balances at 30 June</b>	<b>3.473.437.499</b>	<b>2.049.400.651</b>

As at 30 June 2023 and 31 December 2022, there is no change determined in the registered value of the registered goodwill amounting to TL 3.473.437.499 and TL 2.515.088.288. The cash-generating unit value has been tested with the sensitivity of the cash flows + 1% / - 1% Weighted Average Cost of Capital ("WACC") (31 December 2022: + 1% / - 1%) together with the growth rate sensitivity. Cash flows and WACCs used for impairment testing have been revised with up-to-date assessments as of 30 June 2023. As a result of the impairment sensitivity test, it is determined that there is no impairment in the cash-generating unit value.



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**NOTE 14 - COLLATERAL, PLEDGE, MORTGAGE AND SECURITIES**

Commitments and contingencies, from which the Group management does not anticipate any significant losses or liabilities are summarized below:

<b>a) Guarantees given:</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Pledges given to banks	539.372.838	430.111.866
Security(*)	3.270.926.009	1.308.881.004
Letter of credits	599.868.334	458.554.055
Letter of guarantees	3.167.508.192	397.949.890
Commitments	2.092.517	1.073.780
	<b>7.579.767.890</b>	<b>2.596.570.595</b>

(\*) Kordsa Teknik Tekstil A.Ş. have been joint guarantor to borrowings used by Kordsa Inc. amounting to total USD 126.666.667 equivalents TL 3.270.926.009.

<b>b) Guarantees received:</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Letter of guarantees	75.277.610	44.797.956
Cheques and notes received as collateral	331.350	331.350
	<b>75.608.960</b>	<b>45.129.306</b>

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**NOTE 14 - COLLATERAL, PLEDGE, MORTGAGE AND SECURITIES (continued)**

As of 30 June 2023 and 31 December 2022, the tables regarding the collateral, pledge, mortgage and securities (“CPMS”) position given by the Company are as follows:

<b>30 June 2023</b>	<b>TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EUR</b>	<b>Thai Baht</b>	<b>Other TL Equivalent</b>
A. Total amount of CPMSs given on behalf of own legal entity	4.308.841.881	200.621.765	89.892.929	55.252.449	141.227.596	128.856.082
B. Total amount of CPMSs given on behalf of subsidiaries consolidated in full	3.270.926.009	-	126.666.667	-	-	-
C. CPMSs given for continuation of its economic activities on behalf of third parties	-	-	-	-	-	-
D. Total amount of other CPMSs	-	-	-	-	-	-
i. Total amount of CPMSs given on behalf of the major shareholder	-	-	-	-	-	-
ii. Total amount of CPMSs given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPMSs given on behalf of third parties which are not in scope of clause C	-	-	-	-	-	-
	<b>7.579.767.890</b>	<b>200.621.765</b>	<b>216.559.596</b>	<b>55.252.449</b>	<b>141.227.596</b>	<b>128.856.082</b>
<b>31 December 2022</b>	<b>TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EUR</b>	<b>Thai Baht</b>	<b>Other TL Equivalent</b>
A. Total of CPMSs given on behalf of own legal personality	1.287.689.591	119.020.392	41.882.814	10.711.400	140.328.493	103.301.056
B. Total of CPMSs given on behalf of subsidiaries consolidated in full	1.308.881.004	-	70.000.000	-	-	-
C. CPMSs given for continuation of its economic activities on behalf of third parties	-	-	-	-	-	-
D. Total amount of other CPMSs	-	-	-	-	-	-
i. Total amount of CPMSs given on behalf of the major shareholder	-	-	-	-	-	-
ii. Total amount of CPMSs given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPMSs given on behalf of third parties which are not in scope of clause C	-	-	-	-	-	-
	<b>2.596.570.595</b>	<b>119.020.392</b>	<b>111.882.814</b>	<b>10.711.400</b>	<b>140.328.493</b>	<b>103.301.056</b>

The ratio of the other CPMSs given by the Group to equity is 0% as at 30 June 2023 (As at 31 December 2022 0%)

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**NOTE 15 - SALES AND COST OF SALES**

The revenues and costs of sales for the interim accounting periods ending on 30 June 2023 and 2022 are as follows:

	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Sales income (gross)	10.412.100.416	5.139.075.042	8.932.475.127	4.709.924.047
Sales returns (-)	(52.192.256)	(43.614.162)	(12.272.238)	(5.397.841)
Sales discounts (-)	(55.824.923)	(34.460.614)	(24.312.947)	(13.119.888)
Other sales discounts (-)	(97.623.965)	(48.625.869)	(96.878.373)	(52.725.376)
<b>Sales Income (Net)</b>	<b>10.206.459.272</b>	<b>5.012.374.397</b>	<b>8.799.011.569</b>	<b>4.638.680.942</b>
Cost of sales (-)	(8.714.380.412)	(4.288.352.390)	(6.911.022.370)	(3.785.623.232)
<b>Gross Profit</b>	<b>1.492.078.860</b>	<b>724.022.007</b>	<b>1.887.989.199</b>	<b>853.057.710</b>

**NOTE 16 – EXPENSES BY NATURE**

Expenses for the interim accounting periods ending on 30 June 2023 and 2022, according to their natures, are as follows:

	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Raw material and supply expenses	6.186.564.965	3.018.934.517	5.263.130.826	2.906.872.370
Personnel expenses	1.428.455.365	758.861.625	805.444.764	433.558.561
Energy expenses	738.182.732	340.454.904	551.474.287	290.943.508
Distribution expenses	226.354.043	109.680.505	296.184.290	150.311.173
Depreciation and amortization expenses	388.528.889	195.905.302	274.451.403	145.027.421
Packing expenses	160.559.382	81.814.168	132.814.384	73.557.860
Consultancy expenses	125.388.272	74.132.710	67.197.066	34.065.754
Service, maintenance expenses	28.229.600	14.092.524	16.465.420	10.665.982
Idle period expenses	61.507.112	19.738.301	2.152.725	1.431.957
Other	441.432.050	216.207.415	313.848.399	174.773.463
	<b>9.785.202.415</b>	<b>4.829.821.968</b>	<b>7.723.163.564</b>	<b>4.221.208.049</b>

General administrative expenses TL 593.195.055 TL (30 June 2022: TL 362.658.371), marketing expenses TL 429.190.697 (30 June 2022: TL 419.056.592), research and development expenses TL 48.436.277 (30 June 2022: TL 30.426.231) are shown in expenses by nature.

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**NOTE 17 – OTHER OPERATING INCOME AND EXPENSES**

Other income and expenses from operating activities for the interim accounting periods ending on 30 June 2023 and 2022 are as follow:

<b>Other operating income</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Unearned finance income on credit sales	108.962.052	54.313.105	90.560.613	49.925.330
Domestic production incentive income (*)	77.716.828	34.597.444	70.717.502	37.843.870
Foreign Exchange gains on trade receivables	-	(17.219.908)	-	-
Export incentive income	13.992.150	4.745.875	8.244.756	4.713.321
Government incentive income	6.047.792	123.837	-	-
Other	19.284.995	(1.297.339)	18.336.600	11.490.749
	<b>226.003.817</b>	<b>75.263.014</b>	<b>187.859.471</b>	<b>103.973.270</b>

(\*) Domestic production incentive income refers to the Brazilian Subsidiary’s sales tax return income on finished goods produced and sold in its own country.

<b>Other operating expenses</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Foreign exchange gain/loss on trade receivables/payables - net	2.127.827	2.127.827	91.284.182	51.747.121
Donations	86.390.946	4.049.243	46.395.803	1.400.986
Unrealized finance expense on credit purchase	46.157.081	23.151.304	29.692.400	14.658.583
Taxes and duties	13.554.583	10.499.814	7.444.196	5.518.471
Expenses of the customer damages	621.256	594.264	1.149.749	1.149.749
Other	18.309.587	4.627.359	19.348.450	10.141.130
	<b>169.941.228</b>	<b>45.541.255</b>	<b>195.314.780</b>	<b>84.552.284</b>

**NOTE 18 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

Income and expenses from investment activities for the interim accounting periods ending on 30 June 2023 and 2022 are as follows:

<b>Income from investing activities</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Interest income	18.798.155	8.233.512	6.002.341	2.484.587
Gain on sale of property, plant, equipment	6.726.576	5.621.586	631.094	611.499
	<b>25.524.731</b>	<b>13.855.098</b>	<b>6.633.435</b>	<b>3.096.086</b>
<b>Expense from investing activities</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>	<b>1 January – 30 June 2022</b>	<b>1 April – 30 June 2022</b>
Loss on sale of property, plant, equipment	10.432.098	4.491.628	2.493.147	-
	<b>10.432.098</b>	<b>4.491.628</b>	<b>2.493.147</b>	<b>-</b>

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**NOTE 19 - FINANCIAL INCOME/ EXPENSES**

Financial income and expenses for the interim accounting periods ending on 30 June 2023 and 2022 are as follows:

<b>Finance income</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Foreign exchange gain	220.620.789	179.204.265	355.494.722	206.661.072
Gain on derivative instruments	11.105.796	11.105.796	42.679.813	42.593.465
Other	2.439.309	1.230.598	-	-
	<b>234.165.894</b>	<b>191.540.659</b>	<b>398.174.535</b>	<b>249.254.537</b>
<b>Finance expense</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Foreign exchange losses	140.151.749	92.734.820	131.747.649	56.748.862
Interest Expenses	344.373.900	210.556.772	125.505.897	68.872.345
Interest Expenses	7.267.054	5.552.720	56.192.553	44.656.445
Other	38.183.295	23.498.864	12.346.325	5.724.457
	<b>529.975.998</b>	<b>332.343.176</b>	<b>325.792.424</b>	<b>176.002.109</b>

**NOTE 20 - TAXATION ON INCOME**

**Corporate Tax**

	<b>30 June 2023</b>	<b>31 December 2022</b>
Corporate tax payable	121.103.822	233.157.836
Less: Prepaid taxes on income	(85.168.078)	(260.845.188)
<b>Current tax (asset)/ liability, net</b>	<b>35.935.744</b>	<b>(27.687.352)</b>

The Group and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant accounting period and is paid in one installment until the end of the relevant month.

In Turkey, the corporate tax rate is 20% as of 30 June 2023 (31 December 2022: %23). Tax legislation in Turkey does not allow the Company and its subsidiaries to file consolidated tax returns. Therefore, the tax provision reflected in the financial statements has been calculated on a company-by-company basis..

**Income tax withholding**

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until December 22, 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the President's Decision No. 4936, published in the Official Gazette dated December 22, 2021 and numbered 31697, the withholding tax rate, which was 15% according to the Corporate Tax Law No. 5520, was reduced to 10% with the Income Tax Law No. 193.

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**NOTE 20 - TAXATION ON INCOME (continued)**

**Corporate Tax (continued)**

**Income tax withholding (continued)**

In the application of withholding tax rates for profit distributions to non-resident companies and natural persons, the withholding tax rates in the relevant Double Taxation Agreements are also taken into account. Adding retained earnings to the capital is not considered a dividend distribution, so it is not subject to withholding tax.

In Turkey, the corporate tax rate is 20% (31 December 2022: %23). The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions and deductions in the tax laws.

The taxes on income presented in the condensed consolidated statement of profit or loss for the periods ended 30 June 2023 and 2022 are summarized as follows::

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Current period corporate tax expense	(121.103.822)	(63.335.203)	(151.587.373)	(33.021.255)
Deferred tax income / (expense)	(25.275.612)	(57.714.740)	(99.008.980)	(70.175.919)
	<b>(146.379.434)</b>	<b>(121.049.943)</b>	<b>(250.596.353)</b>	<b>(103.197.174)</b>

The rates to be applied for deferred tax assets and liabilities calculated on temporary differences are shown below:

<b>Country</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Turkey	%20	%20
Egypt	%30	%30
United States of America	%25	%25
Brazil	%34	%34
Indonesia	%22	%22
Thailand	%20	%20

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**NOTE 20 - TAXATION ON INCOME (continued)**

**Corporate Tax (continued)**

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided on 30 June 2023 and 31 December 2022 using the enacted tax rates are as follows:

	<b>Deferred tax/liabilities</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>
Derivative Financial Instruments	2.727.318	662.650
Trade Receivable	46.888.085	44.108.317
Trade Payables	31.177.293	39.020.907
Property, Plant and Equipment and Intangibles	(538.250.256)	(376.753.043)
Research and Development Incentive	51.765.363	28.307.833
Inventory	(114.782.690)	34.871.748
Provision for Employment Termination Benefits	89.416.701	81.856.647
Prepaid Expenses	8.126.590	38.380.848
Deductible Financial Losses (*)	325.549.394	2.200.976
Finance Income	13.621.222	17.969.071
Other, Net	44.790.745	84.992.654
<b>Net Deferred Tax Liability</b>	<b>(38.970.235)</b>	<b>(4.381.392)</b>

(\*)The Group’s deductible financial losses due to 2028.

Movements of deferred tax balances for the six months period ended 30 June 2023 and 30 June 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
<b>Balance at 1 January</b>	<b>(4.381.392)</b>	<b>(136.558.605)</b>
Current year deferred income / (expense)- net	(25.275.612)	(99.008.980)
Charges to Equity	10.108.103	(6.146.093)
Currency translation differences	(19.421.334)	(48.325.879)
<b>Balances as at 30 June</b>	<b>(38.970.235)</b>	<b>(290.039.557)</b>

**NOTE 21 – EARNING PER SHARE**

Earnings per share for each class of share disclosed in the condensed consolidated statement of profit or loss is determined by dividing the net income attributable to that class of share by the weighted average number of shares of that class outstanding during the year.

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
Net income attributable to equity holders of the parent	(49.391.014)	780.574.428
Weighted average number of ordinary shares	19.452.907.600	19.452.907.600
Per 1.000 units of common stocks	(2,54)	40,13
Earnings per share from continuing operations		
Net income attributable to equity holder of the parent	(49.391.014)	781.795.512
Weighted average number of ordinary shares	19.452.907.600	19.452.907.600
Per 1.000 units of common stocks	(2,54)	40,19
Earning per share from discontinued operations		
Net income/(loss) attributable to equity holders of the parent	(50.022)	(1.221.084)
Weighted average number of ordinary shares	19.452.907.600	19.452.907.600
Per 1.000 units of common stocks	(0,003)	(0,063)

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**NOTE 22 - RELATED PARTY DISCLOSURES**

<b>Banka Balances:</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Akbank T.A.Ş. – time deposits	160.015.818	17.091.110
Akbank T.A.Ş. - demand deposits	14.725.325	284.412.502
	<b>174.741.143</b>	<b>301.503.612</b>

	<b>30 June 2023</b>	<b>31 December 2022</b>
Akbank T.A.Ş. – bank borrowings	-	200.000.000
	-	<b>200.000.000</b>

<b>Due from related parties::</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Brisa Bridgestone Sabancı Lastik Sanayi ve Tic. A.Ş. (“Brisa”)	237.781.120	249.263.857
Temsa Skoda Sabancı Ulaşım Araçları A.Ş.	16.189	454.513
Aksigorta A.Ş.(“Aksigorta”)	371.487	437.992
Akçansa Çimento Sanayi ve Ticaret A.Ş.	-	364.453
Çimsa Çimento Sanayi ve Ticaret A.Ş.	1.896.567	239.499
Sabancı Dijital Teknoloji Hizm. A.Ş (“SabancıDx”)	226.949	-
Other	22.100	75.520
	<b>240.314.412</b>	<b>250.835.834</b>

<b>Due to related parties:</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Enerjisa Enerji Üretim A.Ş. (“Enerjisa”)	43.801.771	46.776.403
Aksigorta A.Ş.	11.582.296	-
SabancıDx	8.131.418	25.232.759
Teknosa İç ve Dış Ticaret A.Ş.	342.530	-
Hacı Ömer Sabancı Holding A.Ş.	172.812	674.918
Other	13.019	257.549
	<b>64.043.846</b>	<b>72.941.629</b>

<b>Product Sales</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Brisa	324.400.004	149.619.876	260.226.121	123.891.535
Other	1.966.004	1.655.926	4.343.143	2.688.061
	<b>326.366.008</b>	<b>151.275.802</b>	<b>264.569.264</b>	<b>126.579.596</b>

<b>Service received</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Enerjisa	277.739.891	112.984.125	181.895.728	103.492.362
Sabancı Holding	609.031	269.511	1.220.495	1.220.495
Aksigorta	53.401.007	3.651.933	25.831.642	4.684.079
SabancıDx	46.893.121	19.734.251	19.111.098	10.721.473
Other	4.688.389	2.630.014	1.860.864	1.860.864
	<b>383.331.439</b>	<b>139.269.834</b>	<b>229.919.827</b>	<b>121.979.273</b>



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**NOTE 22 - RELATED PARTY DISCLOSURES (continued)**

<b>Property, plant and equipment purchases</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Teknosa	1.573.547	1.573.547	-	-
	<b>1.573.547</b>	<b>1.573.547</b>	-	-
<b>Interest income</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Akbank T.A.Ş.	708.217	228.778	4.634.940	1.453.465
<b>Interest expense</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Akbank T.A.Ş.	11.357.618	1.614.050	39.885.312	19.300.282
<b>Foreign exchange gains / (losses) -net:</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Akbank T.A.Ş.	60.350.857	41.179.459	62.423.986	41.179.459
<b>Other income</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Akbank	319.210	157.704	191.392	185.180
Enerjisa	184.784	184.784		
SabancıDX	128.538	64.269	485.639	448.340
	<b>632.532</b>	<b>406.757</b>	<b>677.031</b>	<b>633.520</b>

**Transactions with key management personnel:**

The Group defined its top management as board of directors, the president (CEO) and vice presidents, and the general managers of the subsidiaries.

Details of the remunerations provided which is consisted of per diem payment, salary and other additional remunerations by the Group for 2023 and 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>	<b>1 January- 30 June 2022</b>	<b>1 April- 30 June 2022</b>
Short-term employee benefits	31.068.183	15.617.617	19.346.183	10.756.014
Post-Employment Benefits	656.602	656.602	198.408	31.328
Other Long-Term Benefits	139.724	(878.335)	-	-
	<b>31.864.509</b>	<b>15.395.884</b>	<b>19.544.591</b>	<b>10.787.342</b>

**Security and guarantee letters given**

The Group does not have any guarantees and letters of guarantee given as of 30 June 2023 and 31 December 2022.

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL**

**INSTRUMENTS**

Foreign currency position

Group’s assets and liabilities denominated in foreign currencies at 30 June 2023 and 31 December 2022 are as follows:

	<b>30 June 2023</b>	<b>31 December 2022</b>
Assets	2.077.974.932	2.035.261.412
Liabilities	(2.021.588.104)	(2.440.610.018)
<b>Net foreign currency position</b>	<b>56.386.828</b>	<b>(405.348.606)</b>

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

30 June 2023	Total TL Equivalents	TL (*)	EUR (*)	Indonesian Rupiah (*000) (*)	Other TL equivalent(**)
<b>Assets:</b>					
Trade receivables	1.658.104.635	183.706.823	37.710.112	174.570.070.949	112.477.898
Cash and cash equivalents	253.384.119	51.083.043	4.752.549	27.290.800.204	21.562.505
Other monetary receivables and assets	127.483.204	5.384.608	764.925	55.155.350.213	5.705.644
Other non-monetary receivables and assets	-	-	-	-	-
<b>Current assets</b>	<b>2.038.971.958</b>	<b>240.174.474</b>	<b>43.227.586</b>	<b>257.016.221.366</b>	<b>139.746.047</b>
Financial assets available for sale	-	-	-	-	-
Other monetary receivables and assets	39.002.974	24.748.676	-	8.288.253.604	-
<b>Non-current assets</b>	<b>39.002.974</b>	<b>24.748.676</b>	<b>-</b>	<b>8.288.253.604</b>	<b>-</b>
<b>Total assets (a)</b>	<b>2.077.974.932</b>	<b>264.923.150</b>	<b>43.227.586</b>	<b>265.304.474.970</b>	<b>139.746.047</b>
<b>Liabilities:</b>					
Trade Payables	344.627.180	94.258.974	4.693.785	41.843.085.157	45.718.982
Borrowings	1.519.395.032	530.762.807	34.300.000	11.756.605.619	-
Other monetary payables and liabilities	125.630.163	-	108.469	71.141.157.231	633
<b>Total short term liabilities</b>	<b>1.989.652.375</b>	<b>625.021.781</b>	<b>39.102.254</b>	<b>124.740.848.007</b>	<b>45.719.615</b>
Borrowings	31.485.704	-	-	18.274.666.654	-
Other monetary payables and liabilities	450.026	-	-	261.200.150	-
<b>Total long term liabilities</b>	<b>31.935.730</b>	<b>-</b>	<b>-</b>	<b>18.535.866.804</b>	<b>-</b>
<b>Total liabilities (b)</b>	<b>2.021.588.105</b>	<b>625.021.781</b>	<b>39.102.254</b>	<b>143.276.714.811</b>	<b>45.719.615</b>
Off-balance sheet derivative assets (c)	-	-	-	-	-
Off-balance sheet derivative liabilities (d)	-	-	-	-	-
<b>Net foreign currency asset/(liability) position (a-b+c-d)</b>	<b>56.386.827</b>	<b>(360.098.631)</b>	<b>4.125.332</b>	<b>122.027.760.159</b>	<b>94.026.432</b>
<b>Fair value of financial instruments used for foreign currency hedge</b>	<b>(8.090.377)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Hedged portion of foreign currency assets in derivative products	-	-	-	-	-
Hedged portion of foreign currency assets	-	-	-	-	-
Hedge portion of foreign currency liabilities	-	-	-	-	-

(\*) The amounts are denominated in the related currency.

(\*\*) The amounts are in British Pound (GBP), Japanese Yen (JPY), Swiss Franc (CHF).

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

31 December 2022	Total TL Equivalents	TL (*)	EUR (*)	Indonesian Rupiah (‘000) (*)	Other TL equivalent(**)
<b>Assets:</b>					
Trade receivables	1.563.464.010	292.621.178	49.521.749	139.460.373.577	117.783.765
Cash and cash equivalents	344.762.232	286.755.185	570.379	30.523.233.549	10.338.009
Other monetary receivables and assets	105.346.515	1.029.821	1.149.322	65.356.009.761	3.682.934
Other non-monetary receivables and assets	-	-	-	-	-
<b>Current assets</b>	<b>2.013.572.757</b>	<b>580.406.184</b>	<b>51.241.450</b>	<b>235.339.616.887</b>	<b>131.804.708</b>
Financial assets available for sale	-	-	-	-	-
Other monetary receivables and assets	21.688.655	11.396.366	23.244	8.265.069.254	-
<b>Non-current assets</b>	<b>21.688.655</b>	<b>11.396.366</b>	<b>23.244</b>	<b>8.265.069.254</b>	<b>-</b>
<b>Total assets (a)</b>	<b>2.035.261.412</b>	<b>591.802.550</b>	<b>51.264.694</b>	<b>243.604.686.141</b>	<b>131.804.708</b>
<b>Liabilities:</b>					
Trade Payables	599.452.402	302.668.741	10.120.613	50.788.631.973	34.631.812
Borrowings	1.737.827.565	430.000.000	65.000.000	10.140.384.105	-
Other monetary payables and liabilities	73.348.595	-	293.927	56.750.775.732	498
<b>Total short term liabilities</b>	<b>2.410.628.562</b>	<b>732.668.741</b>	<b>75.414.540</b>	<b>117.679.791.810</b>	<b>34.632.308</b>
Borrowings	29.635.159	-	-	24.919.999.833	-
Other monetary payables and liabilities	346.298	-	-	291.199.686	-
<b>Total long term liabilities</b>	<b>29.981.457</b>	<b>-</b>	<b>-</b>	<b>25.211.199.518</b>	<b>-</b>
<b>Total liabilities (b)</b>	<b>2.440.610.019</b>	<b>732.668.741</b>	<b>75.414.540</b>	<b>142.890.991.328</b>	<b>34.632.308</b>
Off-balance sheet derivative assets (c)	-	-	-	-	-
Off-balance sheet derivative liabilities (d)	-	-	-	-	-
<b>Net foreign currency asset/(liability) position (a-b+c-d)</b>	<b>(405.348.607)</b>	<b>(140.866.191)</b>	<b>(24.149.846)</b>	<b>100.713.694.813</b>	<b>97.172.400</b>
<b>Fair value of financial instruments used for foreign exchange hedge</b>	<b>(32.619.496)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Hedges amount of foreign currency amount	-	-	-	-	-

(\*) The amounts are denominated in the related currency.

(\*\*) The amounts are in British Pound (GBP), Japanese Yen (JPY), Swiss Franc (CHF).

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

TL conversion rates of the foreign currencies where the Group operates are as follows::

<b>Closing rates</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
US Dollars (Buy/Sell)	25,8231/25,8696	18,6983/18,7320
Euro	28,1540	19,9349
Indonesian Rupiah (1000 units)	1,7186	1,18862
Brazilian Real	5,3584	3,5836
Thai Baht	0,7256	0,5410
Egyptian Pound	0,8365	0,7560

  

<b>Average rates</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
US Dollars	19,2178	14,6867
Euro	21,2946	16,0553
Indonesian Rupiah (1000 units)	1,3090	1,0163
Brazilian Real	3,8848	2,8928
Thai Baht	0,5763	0,4355
Egyptian Pound	0,6426	0,8357

Foreign currency position as of 30 June 2023 and 31 December 2022 regarding the 10% changes in foreign currency rates is depicted in the table below:

<b>30 June 2023</b>	<b>Profit/Loss</b>		<b>Equity</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
Increase/(decrease) 10% of TL parity				
TL net asset / liability	(36.009.864)	36.009.864	-	-
Hedged portion of TL amounts (-)	-	-	-	-
<b>Net effect of TL</b>	<b>(36.009.864)</b>	<b>36.009.864</b>	-	-
Increase/(decrease) 10% of EUR parity				
EUR net asset / liability	11.614.461	(11.614.461)	-	-
Hedged portion of EUR amounts (-)	-	-	-	-
<b>Net effect of EUR</b>	<b>11.614.461</b>	<b>(11.614.461)</b>	-	-
Increase/(decrease) 10% of other parities				
Other foreign currency net asset / liability	30.034.086	(30.034.086)	-	-
Hedged portion of other foreign currency amounts(-)	-	-	-	-
<b>Net effect of other foreign currencies</b>	<b>30.034.086</b>	<b>(30.034.086)</b>	-	-
	<b>5.638.683</b>	<b>(5.638.683)</b>	-	-

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

31 December 2022	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Increase/(decrease) 10% of TL parity				
TL net asset / liability	(14.086.625)	14.086.625		
Hedged portion of TL amounts (-)	-	-		
<b>Net effect of TL</b>	<b>(14.086.625)</b>	<b>14.086.625</b>		
Increase/(decrease) 10% of EUR parity				
EUR net asset / liability	(48.142.474)	48.142.474		
Hedged portion of EUR amounts (-)	-	-		
<b>Net effect of EUR</b>	<b>(48.142.474)</b>	<b>48.142.474</b>		
Increase/(decrease) 10% of other parities				
Other foreign currency net asset / liability	21.694.238	(21.694.238)		
Hedged portion of other foreign currency amounts(-)	-	-		
<b>Net effect of other foreign currencies</b>	<b>21.694.238</b>	<b>(21.694.238)</b>		
	(40.534.861)	40.534.861		

Export and import balances from Turkey as of 30 June 2023 and 2022 are as follows:

	30 June 2023		30 June 2022	
	Original amount	TL equivalent	Original amount	TL equivalent
Euro	98.860.700	1.899.882.343	93.323.021	1.513.269.000
USD	43.592.847	837.757.373	37.126.493	550.703.299
<b>Total export</b>		<b>2.737.639.716</b>		<b>2.063.972.299</b>
			<b>1 January-30 June 2023</b>	<b>1 January-30 June 2022</b>
<b>Total import</b>			1.703.619.754	1.879.028.640

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

**Forward foreign exchange purchase/sale contracts:**

Derivative financial instruments of the Group consist of forward foreign currency transactions. The Group has entered into foreign currency transaction contracts to manage its risks arising from expected sales transactions on a monthly basis for the 12 months following the reporting date. When the expected sales transactions are realized, the book values of the items hedged against non-financial risk will be adjusted. The Group also realized foreign exchange transactions in order to protect its trade receivables and payables from the effects of exchange rate changes.

The Group also applies fair value hedge accounting in order to protect its derivative portfolio and trade receivables and payables from the effects of currency fluctuations in the markets. Accordingly, the Group shows the exchange rate changes in the condensed consolidated statement of financial position and the changes in the derivative portfolio by netting in the profit or loss statement and measures the effectiveness of hedge accounting in each reporting period.

As of 30 June 2023, Kordsa Inc. has IRS as a derivative instrument to manage the variable interest risk of USD 24.750.000 for the repayment of the loan agreement amounting to USD 110.000.000. The fair value of the derivative instrument as of 30 June 2023 is TL 14.757.568 profit.

As of 30 June 2023, the net book values of derivative forward and clearing instruments are as follows:

	<b>Average Rate</b>	<b>Foreign Currency (JPY)</b>	<b>Contract Value (TL)</b>	<b>Fair Value (TL)</b>
USD sell JPY buy				
Between 18-24 months	1,1965	500.000.000	89.926.000	(13.661.147)
Total				(13.661.147)
	<b>Average Rate</b>	<b>Foreign Currency (USD)</b>	<b>Contract Value (BRL)</b>	<b>Fair Value (TL)</b>
BRL sell USD buy				
Between 6-9 months	5,1400	1.670.580	8.586.781	(8.081.404)
Total				(8.081.404)
	<b>Average Rate</b>	<b>Foreign Currency (EUR)</b>	<b>Contract Value (USD)</b>	<b>Fair Value (TL)</b>
EURO sell USD buy				
Between 0-3 months	1,0392	8.000.000	8.313.800	(12.123.723)
Between 3-6 months	1,0305	6.000.000	6.182.700	(11.082.765)
Total				(23.206.488)
<b>Forward/Swap Net</b>				<b>(44.949.040)</b>

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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS(continued)**

**Fair value estimation**

The fair value of the financial assets and liabilities is determined as follows:

- First level: Financial assets and liabilities are measured at quoted market prices in active market for identical assets and liabilities.
- Second level: Financial assets and liabilities are measured using inputs that are used to determine the price of the asset or liability that is observable either directly or indirectly in the market, other than quoted included within Level 1.
- Third level: Financial assets and liabilities are measured using inputs that are based on unobservable basis in market for the fair value of an asset or liability.

Financial Assets / Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Technique
	30 June 2023	31 December 2022		
Foreign currency forward/swap contracts	(30.191.472)	(3.155.476)	Level 2	Discounted cash flow method: The future cash flows, predicted by forward foreign currency rate (observable forward foreign currency rates at reporting date) and the contracted rates, are discounted by a discount rate which indicates other parties' credit risk



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**NOTE 23 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS(continued)**

**Fair value estimation (continued)**

Hedges of Net Investment in a Foreign Operation:

When there are derivative instruments or non-derivative financial liabilities arising from net investments abroad in order to hedge financial risks;

The gain or loss arising from the fair value hedge of the hedging instrument is recognized in other comprehensive income as translation reserves. The ineffective portion of the difference arising from the fair value of the hedging instrument is recognized directly in profit or loss. Gains or losses recognized in other comprehensive income related to the effective portion of the hedging instrument are reclassified to profit or loss as a result of other comprehensive income as a reclassification adjustment in the hedging of the hedged item or net investment in foreign operations.

Hedging Gains (Losses) movements for the interim accounting periods ending on 30 June 2023 and 30 June 2022 are as follows:

	<b>1 January- 30 June 2023</b>	<b>1 January- 30 June 2022</b>
<b>Balance at 1 January</b>	<b>(952.108.089)</b>	<b>(952.232.836)</b>
Increases/decreases	3.267.047	27.793.648
Income tax related to gains/losses recognised		
In other comprehensive income	(653.409)	(6.146.093)
<b>Balance at 30 June</b>	<b>(949.494.451)</b>	<b>(930.585.281)</b>

**NOTE 24 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

Net loss amounting to TL (98.082) loss for the six month period ended 30 June 2023 presented in the condensed consolidated profit or loss comprises the loss from Nile Kordsa (1 January – 30 June 2022: TL (2.394.282) loss).

**NOTE 25 - INTEREST IN OTHER ENTITIES**

Financial information in respect of each of the Group’s subsidiaries that has material non-controlling interests is set out below:

	<b>30 June 2023</b>			
	Non-controlling interests%	Profit / (loss) allocated to noncontrolling interests	Net profit / loss attributable to noncontrolling interests	Dividend distributed to non-controlling interests
Subsidiary				
PT Indo Kordsa Tbk (*)	38,41%	90.717.409	2.599.459.916	(123.976.066)
Other		8.798.038	189.427.370	
<b>Total</b>		<b>99.515.447</b>	<b>2.788.887.286</b>	

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**NOTE 25 - INTEREST IN OTHER ENTITIES (continued)**

	<b>31 December 2022</b>			
	Non-controlling interests%	Profit / (loss) allocated to noncontrolling interests	Net profit / loss attributable to noncontrolling interests	Dividend distributed to non-controlling interests
Subsidiary				
PT Indo Kordsa Tbk (*)	38,41%	212.116.878	1.872.229.109	122.445.870
Other		7.833.123	136.227.370	
<b>Total</b>		<b>219.950.001</b>	<b>2.008.456.479</b>	

(\*) Consists of consolidated financial statements of PT Indo Kordsa Tbk, PT Indo Kordsa Polyester and Thai Indo Kordsa Co., Ltd.

After the consolidation adjustments for the mentioned subsidiaries, the summary financial information before elimination transactions is as follows:

**Summary balance sheet information:**

	<b>PT Indo Kordsa Tbk</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash and cash equivalents	753.749.093	247.026.983
Other current assets	2.617.552.163	2.049.693.307
Non-current assets	4.567.852.032	3.311.825.487
<b>Total assets</b>	<b>7.939.153.288</b>	<b>5.608.545.777</b>
Short term borrowings	229.745.663	115.651.847
Other short term borrowings	1.290.935.730	878.681.671
Long term borrowings	64.662.005	62.454.986
Other long term liabilities	455.021.913	335.647.570
<b>Total liabilities</b>	<b>2.040.365.311</b>	<b>1.392.436.074</b>
<b>Total equity</b>	<b>5.898.787.977</b>	<b>4.216.109.703</b>
<b>Equity attributable to owners of the parents</b>	<b>5.357.791.589</b>	<b>3.806.236.757</b>
<b>Non-controlling interests (*)</b>	<b>540.996.388</b>	<b>409.872.946</b>

**Summary Profit&Loss:**

	<b>PT Indo Kordsa Tbk</b>	
	<b>1 January – 30 June 2023</b>	<b>1 January – 30 June 2022</b>
Sales	2.516.476.358	2.539.547.117
Cost of Sales	(2.055.877.631)	(2.018.390.034)
Depreciation and amortization	(86.352.006)	(44.175.600)
Operating profit / (loss)	305.568.226	338.835.714
Net financial income/ (expense)	(18.680.301)	(6.504.549)
Profit / (loss) before tax	286.887.925	332.331.165
Tax (-)	(73.679.264)	(74.318.728)
Non-controlling interests (*)	(14.294.643)	(19.881.085)
Profit for the period	198.914.018	238.131.352

(\*) It results from the consolidation of Thai Indo Kordsa Co., Ltd. under PT Indo Kordsa Tbk.

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**NOTE 26 – EVENTS AFTER THE REPORTING PERIOD**

Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and the Decree Law No. 375" , which includes the regulation on increase in corporate tax rate from %20 to %25 for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249. With the same article (article 21) of the aforementioned law, it is ensured that the corporate tax rate, which was applied with a reduction by 1% to the earnings of the exporting companies exclusively from exports, is applied with a reduction by 5% in order to promote export. This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023. It will be effective in the tax calculation of the profits of the institutions subject to the special accounting period, obtained in the special accounting period starting in the 2023 calendar year and in the following taxation periods.

This matter is considered as a non-adjusting event after the reporting period within the scope of TAS 10 "Events After the Reporting Period". If the company's first six-month interim period tax were calculated over the new rate, it is estimated that the deferred tax asset would increase by 106,778,950 TL and the deferred tax income would increase by 77,132,202 TL.