

**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 2024 together  
with Independent Auditor's Report on  
Review of Interim Financial Information  
(Originally Issued in Turkish)

**(Convenience Translation of the Report on Review of Condensed Consolidated Interim  
Financial Information Originally Issued in Turkish)**

**REPORT ON REVIEW OF INTERIM CONDENSED  
FINANCIAL INFORMATION**

**To the General Assembly 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 (together will be referred as the “Group”) as of 30 June 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statement of changes in shareholders’ equity and condensed consolidated statement of cash flows for the six-months period then ended, and other explanatory notes. The Group management is responsible for the preparation and fair presentation of the accompanying condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting (“TAS 34”). 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 the Independent Auditing Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been 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 “Interim Financial Reporting”.

*Other Matter*

The review of the condensed consolidated interim financial information for the period ended 30 June 2023 and the independent audit of the consolidated financial statements of the Group for the year ended 31 December 2023 were performed by another independent audit firm. The preceding independent audit firm has expressed an unqualified conclusion and unqualified opinion on the consolidated interim financial information of the Group for the period of 30 June 2023 and consolidated financial statements for the year ended 31 December 2023, in the review report dated 7 August 2023 and the independent audit report dated 21 March 2024, respectively.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Zere Gaye Şentürk, SMMM  
Partner

İstanbul, 13 September 2024

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**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024 AND 31 DECEMBER 2023**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	4	1.762.154.129	1.712.468.307
Financial Investments		112.880.706	91.639.021
Trade Receivables	6	5.778.704.030	4.773.938.898
<i>Due from Related Parties</i>	23	340.129.568	317.610.477
<i>Due from Third Parties</i>		5.438.574.462	4.456.328.421
Other Receivables	7	593.367.242	449.285.901
<i>Other Receivables from Third Parties</i>		593.367.242	449.285.901
Derivatives		45.719.503	3.400.830
Inventories	8	8.527.801.524	6.839.959.506
Prepayments		696.139.470	433.552.431
<i>Prepayments to Third Parties</i>		696.139.470	433.552.431
Current Tax Assets	21	82.233.865	47.477.693
Other Current Assets		634.157.025	390.284.876
<i>Other Current Assets from Third Parties</i>		634.157.025	390.284.876
<b>Current Assets</b>		<b>18.233.157.494</b>	<b>14.742.007.463</b>
<b>Non-Current Assets:</b>			
Financial Investments		2.121.964	1.969.244
Other Receivables	7	122.544.327	113.040.134
<i>Other receivables from third parties</i>		122.544.327	113.040.134
Investment Properties	12	777.279.465	697.056.265
Derivatives		12.002.184	18.821.056
Property Plant and Equipment	9	10.485.679.518	9.482.157.379
Right of Use Assets	11	957.717.954	870.598.988
Intangible Assets		8.458.634.706	7.528.628.568
<i>Goodwill</i>	13	4.415.416.972	3.959.700.724
<i>Other Intangible Assets</i>	10	4.043.217.734	3.568.927.844
Prepayments		108.606.291	113.974.008
<i>Prepayment to third parties</i>		108.606.291	113.974.008
Deferred Tax Assets	21	1.174.140.410	1.025.765.381
Other Non-Current Assets		425.510.672	382.095.611
<b>Non-Current Assets</b>		<b>22.524.237.491</b>	<b>20.234.106.634</b>
<b>Total Assets</b>		<b>40.757.394.985</b>	<b>34.976.114.097</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 2024 AND 31 DECEMBER 2023**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Reviewed 30 June 2024	Audited 31 December 2023
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>			
Short Term Borrowings	5	6.210.352.094	6.954.689.210
Short Term Portion of Long Term Borrowings	5	1.241.420.075	427.623.845
Short Term Lease Liabilities	5	124.689.358	113.022.245
Trade Payables	6	4.408.728.642	3.375.239.130
<i>Due to Related Parties</i>	23	108.951.383	76.598.491
<i>Due to Third Parties</i>		4.299.777.259	3.298.640.639
Payables Related to Employee Benefits		149.596.262	81.854.474
Other Payables	7	182.222.747	142.825.312
<i>Other Payables to Third Parties</i>		182.222.747	142.825.312
Deferred Revenue		76.664.510	14.875.555
<i>Deferred Revenue from Third Parties</i>		76.664.510	14.875.555
Current Tax Liabilities	21	96.280.840	139.872.061
Short Term Provisions		283.331.743	239.839.144
<i>Short Term Employee Benefits</i>		269.306.178	203.873.470
<i>Other Short Term Provisions</i>		14.025.565	35.965.674
Other Short Term Liabilities		561.622.289	331.893.469
<i>Other Current Liabilities to Third Parties</i>		561.622.289	331.893.469
Derivative Financial Instruments		9.116.099	7.550.407
<b>Subtotal</b>		<b>13.344.024.659</b>	<b>11.829.284.852</b>
Liability directly associated with the assets held for sale		41.780.565	29.565.974
<b>Total Short Term Liabilities</b>		<b>13.385.805.224</b>	<b>11.858.850.826</b>
<b>Long Term Liabilities</b>			
Long Term Borrowings	5	6.887.249.547	4.269.179.252
Long Term Lease Liabilities	5	940.678.826	851.762.569
Deferred Income		40.367.345	37.409.611
Long Term Provisions		489.018.550	437.846.681
<i>Long Term Employee Benefits</i>		354.878.002	364.294.960
<i>Other Long Term Provisions</i>	7	134.140.548	73.551.721
Deferred Tax Liabilities	21	553.872.082	595.521.083
Other Long Term Liabilities	15	1.165.420.075	818.443.973
Derivative Financial Instruments		-	46.424.861
<b>Total Long Term Liabilities</b>		<b>10.076.606.425</b>	<b>7.056.588.030</b>
<b>Total Liabilities</b>		<b>23.462.411.649</b>	<b>18.915.438.856</b>
<b>Shareholder's Equity:</b>			
<b>Equity attributable to owners of the Company</b>		<b>13.771.489.245</b>	<b>12.844.248.184</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		(768.077.731)	(515.292.078)
Other Comprehensive Income or Expenses That will not be Reclassified to Profit or Loss		2.028.963.608	1.787.801.476
<i>Revaluation and Remeasurement Gain/(Loss)</i>		(97.879.632)	(91.681.312)
<i>Defined Benefit Plans Remeasurement Fund</i>		(97.879.632)	(91.681.312)
<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		2.086.816.143	1.839.455.691
<i>Currency Translation Difference</i>		8.962.648.698	8.015.748.482
<i>Gain/Loss on Hedge Reserve</i>		9.889.659.644	8.967.964.364
<i>Investment Hedging Losses Related to Foreign Operations</i>		(926.740.795)	(951.945.731)
<i>Cash Flow Hedge Gains/Loss</i>		(954.135.431)	(954.135.431)
<i>Revaluation and Reclassification Gain/(Loss)</i>		27.394.636	2.189.700
<i>Other Revaluation and Reclassification Gain/(Loss)</i>		(270.151)	(270.151)
Restricted Reserves		458.633.031	444.065.124
Retained Earnings		2.840.775.341	2.672.019.932
Profit for the Period		(8.035.634)	183.323.316
<b>Total Non-Controlling Interests</b>		<b>3.523.494.091</b>	<b>3.216.427.057</b>
<b>Total Equity</b>		<b>17.294.983.336</b>	<b>16.060.675.241</b>
<b>Total Equity and Liabilities</b>		<b>40.757.394.985</b>	<b>34.976.114.097</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 2024 AND 2023**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Notes	Reviewed 1 January- 30 June 2024	Unreviewed 1 April- 30 June 2024	Reviewed 1 January- 30 June 2023	Unreviewed 1 April- 30 June 2023	
<b>PROFIT OR LOSS</b>					
Revenue	16	14.824.952.702	7.585.569.002	10.206.459.272	5.012.374.395
Cost of Sales	16	(12.545.901.195)	(6.536.990.270)	(8.714.380.412)	(4.288.352.390)
<b>GROSS PROFIT</b>		<b>2.279.051.507</b>	<b>1.048.578.732</b>	<b>1.492.078.860</b>	<b>724.022.005</b>
General and Administrative Expenses	17	(977.963.037)	(517.117.123)	(593.195.055)	(302.585.836)
Selling, Marketing and Distribution Expenses	17	(748.741.837)	(380.487.271)	(429.190.697)	(211.978.437)
Research and Development Expenses	17	(77.818.273)	(41.921.350)	(48.436.277)	(26.905.331)
Other Income From Operating Activities	18	397.150.901	263.243.210	226.003.817	75.263.014
Other Expense From Operating Activities	18	(292.086.636)	(158.627.776)	(169.941.228)	(45.541.255)
<b>OPERATING PROFIT</b>		<b>579.592.625</b>	<b>213.668.422</b>	<b>477.319.420</b>	<b>212.274.160</b>
Income From Investing Activities	19	28.412.885	13.974.089	25.524.731	13.855.098
Expense From Investing Activities	19	(206.870)	(180.269)	(10.432.098)	(4.491.628)
<b>OPERATING PROFIT BEFORE FINANCE COSTS</b>		<b>607.798.640</b>	<b>227.462.242</b>	<b>492.412.053</b>	<b>221.637.630</b>
Finance Income	20	289.546.127	118.076.827	234.165.894	191.540.659
Finance Expense (-)	20	(895.029.748)	(422.667.726)	(529.975.998)	(332.343.176)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>2.315.019</b>	<b>(77.128.657)</b>	<b>196.601.949</b>	<b>80.835.113</b>
Tax Expense From Continuing Operations		118.122.868	99.234.349	(146.379.434)	(121.049.943)
<i>Current Tax Expense</i>	21	(136.364.884)	(99.072.003)	(121.103.822)	(63.335.203)
<i>Deferred Tax Expense</i>	21	254.487.752	198.306.352	(25.275.612)	(57.714.740)
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>120.437.887</b>	<b>22.105.692</b>	<b>50.222.515</b>	<b>(40.214.830)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	25	-	-	<b>(98.082)</b>	<b>(50.422)</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>120.437.887</b>	<b>22.105.692</b>	<b>50.124.433</b>	<b>(40.265.252)</b>
<b>Profit/(Loss) Attributable to:</b>					
Non-Controlling Interests		128.473.521	63.750.662	99.515.447	42.864.735
Owners of the Company		(8.035.634)	(41.644.970)	(49.391.014)	(83.129.987)
<b>Earnings (loss) per shares</b>					
<i>Earnings/(losses) per share from continuing operations</i>	22	(0,41)	(2,14)	(2,54)	(4,27)
<i>Earnings/(losses) per share from discontinuing operations</i>	22	-	-	(0,003)	(0,001)
<i>Earnings / (losses) per diluted shares from operations</i>	22	(0,41)	(2,14)	(2,54)	(4,27)

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 2024 AND 2023**  
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Notes	Reviewed 1 January- 30 June 2024	Unreviewed 1 April- 30 June 2024	Reviewed 1 January- 30 June 2023	Unreviewed 1 April- 30 June 2023
<b>PROFIT FOR THE PERIOD</b>	<b>120.437.887</b>	<b>22.105.692</b>	<b>50.124.433</b>	<b>(40.265.252)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items That Will Not Be Reclassified To Profit Or Loss</b>	<b>241.162.132</b>	<b>(36.032.400)</b>	<b>930.693.686</b>	<b>870.461.447</b>
<i>Defined Benefit Plans Remeasurement Fund</i>	<i>(8.264.422)</i>	<i>(13.117.842)</i>	<i>(54.195.223)</i>	<i>(54.195.223)</i>
<i>Deferred Tax Benefit/(Expense)</i>	<i>2.066.102</i>	<i>3.279.457</i>	<i>10.761.512</i>	<i>10.761.512</i>
<i>Foreign Currency Translation Differences</i>	<i>247.360.452</i>	<i>(26.194.015)</i>	<i>974.127.397</i>	<i>913.895.158</i>
<b>Items That Are Or May Be Reclassified Subsequently To Profit Or Loss</b>	<b>1.248.300.758</b>	<b>100.458.521</b>	<b>2.939.869.028</b>	<b>2.724.578.266</b>
<i>Foreign Currency Translation Differences</i>	<i>1.223.095.822</i>	<i>101.796.997</i>	<i>2.937.255.390</i>	<i>2.713.354.671</i>
<i>Hedging gains/losses on cash flow risk</i>	<i>33.606.581</i>	<i>(1.784.635)</i>	<i>3.267.047</i>	<i>14.029.493</i>
<i>Deferred Tax Benefit/(Expense)</i>	<i>(8.401.645)</i>	<i>446.159</i>	<i>(653.409)</i>	<i>(2.805.898)</i>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1.489.462.890</b>	<b>64.426.121</b>	<b>3.870.562.714</b>	<b>3.595.039.713</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>1.609.900.777</b>	<b>86.531.813</b>	<b>3.920.687.147</b>	<b>3.554.774.461</b>
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	1.180.026.714	(21.274.858)	3.016.280.274	2.762.907.062
Owners of the company	429.874.063	107.806.671	904.406.873	791.867.399

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 2024 AND 2023**  
(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		Equity attributable to owners of the Company	Total non-controlling interests	Total Equity			
	Share Capital	Share Premium	Put option valuation fund on non-controlling interest	Currency translation differences	Defined benefit plans remeasurement fund	Other revaluation and reclassification gain/(loss)	Currency translation differences	Gain/(loss) on hedge reserve	Rerevaluation and reclassification gain/(loss)				Restricted reserves	Retained earnings	Net profit for the year
Balance at 1 January 2023	194,529,076	62,052,856	(527,789,084)	493,927,059	(58,880,941)	40,027,097	5,579,615,848	(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	1,234,627,639	(1,289,197,611)	-	-	-
Total Comprehensive Income	-	-	-	974,127,397	(43,433,711)	-	2,132,363,964	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)
Balance at 30 June 2023	194,529,076	62,052,856	(660,875,055)	1,468,054,456	(102,314,652)	40,027,097	7,711,979,812	(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
Balance at 1 January 2024	194,529,076	62,052,856	(515,292,078)	1,839,455,691	(91,681,312)	40,027,097	8,967,964,364	(951,945,731)	(270,151)	444,065,124	2,672,019,932	183,323,316	12,844,248,184	3,216,427,057	16,060,675,241
Transfer	-	-	-	-	-	-	-	-	-	14,507,907	168,755,409	(183,323,316)	-	-	-
Total Comprehensive Income	-	-	-	247,360,452	(6,198,320)	-	921,695,280	25,204,936	-	-	-	(8,035,634)	1,180,026,714	429,874,063	1,609,900,777
Increase/(decrease) due to other changes	-	-	(252,785,633)	-	-	-	-	-	-	-	-	-	(252,785,633)	-	(252,785,633)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(122,807,029)	(122,807,029)
Balance at 30 June 2024	194,529,076	62,052,856	(768,077,731)	2,086,816,143	(97,879,632)	40,027,097	9,889,659,644	(926,740,795)	(270,151)	458,633,031	2,840,776,341	(8,035,634)	13,771,489,245	3,523,494,091	17,294,983,336

(\*) 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 (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 call/put option valuation fund on non-controlling interest of the Group's subsidiary Microtex Composites S.r.l.

At the 2023 Ordinary General Assembly Meeting held on April 19, 2024, it was decided that the net distributable profit for the period amounting to TL 183,323,316 remaining after deducting legal obligations and non-controlling interests will not be subject to distribution and will be set aside as Extraordinary Reserves in order to further increase the financial flexibility of the company within the framework of the global economic conditions.

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 2024 AND 2023**

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

	Notes	Reviewed 1 January 30 June 2024	Reviewed 1 January- 30 June 2023
<b>A. CASH FLOWS FROM (USED IN) / OPERATING ACTIVITIES</b>		<b>61.777.422</b>	<b>555.895.777</b>
Profit For The Period		120.437.887	50.124.433
Profit/(Loss) for the Period from Continuing Operations		120.437.887	50.222.515
Profit/(Loss) from Discontinuing Operations		-	(98.082)
<b>Adjustments to Reconcile Profit/(Loss) for the Period</b>		<b>1.015.667.354</b>	<b>963.524.666</b>
Adjustments Related to Depreciation and Amortization	9.10.11	653.415.993	388.528.889
Adjustments Related to Provisions For (Reversal) of Impairment		38.519.072	40.101.014
Adjustments Related to Provision For (Reversal) of Doubtful Receivables	6	4.680.340	312.040
Adjustments Related to Provision For (Reversal) of Inventory Allowances	8	33.838.732	39.788.974
Adjustments Related to Provisions		99.048.699	12.087.590
Adjustments Related to Provision (Reversal) to Employee Benefits		60.399.981	13.977.687
Adjustments Related to Other Provision (Reversal)		38.648.718	(1.890.097)
Adjustments Related to Interest (Income)/Expense		680.649.199	352.061.038
Adjustments Related to Interest Income	19	(27.846.742)	(18.798.155)
Adjustments Related to Interest Expense	20	710.555.591	344.373.900
Adjustments Related to Unrealized Finance Expenses On Credit Purchases		(40.273.306)	(17.247.570)
Adjustments Related to Unrealized Finance Income On Credit Sales	6	38.213.656	43.732.863
Adjustments Related to Unrealized Currency Translation Difference		(232.411.498)	69.224.975
Currency Difference(Income)/Loss (net)		(154.945.966)	(80.469.040)
Other Finance (Income)/Expense(Net)		77.001.662	35.743.986
Adjustments Related to Fair Value Changes		(27.127.666)	(3.838.742)
Adjustments Related to Fair Value Losses /(Gains) Of Derivatives		(27.127.666)	(3.838.742)
Adjustments Related to Tax (Benefit)/Expense	21	(118.122.868)	146.379.434
Adjustments Related to Losses /(Gains) On Disposal of Non-Current Assets		(359.273)	3.705.522
Adjustments Related to Gains on Disposal of Tangible Assets	19	(359.273)	3.705.522
<b>Changes In Working Capital</b>		<b>(1.074.327.819)</b>	<b>(457.753.322)</b>
(Increase)/Decrease in Trade Receivables		(488.678.570)	334.058.598
(Increase)/Decrease in Other Receivables		(107.591.136)	(66.177.133)
(Increase)/Decrease in Inventories		(901.319.737)	490.142.131
(Increase) In Prepaid Expenses		(187.055.013)	(121.686.251)
Increase/(Decrease) in Trade Payables		660.457.984	(1.023.766.179)
Increase/(Decrease) in Retirement Pay And Employee Benefit Obligation		1.063.053	(44.160.553)
Increase/(Decrease) in Other Payables		155.591.184	2.130.745
Decrease In Deferred Income		57.761.089	(9.872.097)
Other Increase/(Decrease) in Working Capital		18.263.901	114.432.354
Decrease/(Increase) in Other Assets From Operating Activities		(191.090.535)	23.424.885
Increase/(Decrease) in Other Liabilities From Operating Activities		209.354.436	91.007.469
Payments Related To The Provision Of Employee Benefits		(69.327.028)	(70.009.800)
Income Tax Returns/(Payments)		(221.965.870)	(65.844.704)
Other		8.472.324	2.999.567
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(682.591.703)</b>	<b>(331.395.457)</b>
Proceeds From Sales Of Property, Plant And Equipment		22.471.801	57.843.977
Acquisition Of Sales Of Property, Plant And Equipment And Intangible Assets		(722.608.947)	(408.037.589)
Securities Purchase		(10.301.299)	-
Interest Received		27.846.742	18.798.155
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>505.061.541</b>	<b>(41.251.028)</b>
Proceeds From Borrowings	5	5.985.534.072	6.773.076.248
Cash Inflows /(Outflows) From Borrowing Transactions	5	(4.710.918.077)	(6.410.581.055)
Cash Outflows For Financial Lease Liabilities	5	(27.186.631)	(18.233.153)
Dividend Paid		-	(57.000.000)
Interest Paid	5	(604.637.287)	(223.082.151)
Cash Outflows from Derivatives (net)		(14.923.507)	18.545.149
Cash Outflow for Dividends Paid to Non-Controlling Interest and Other Financial Instruments		(122.807.029)	(123.976.066)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT BEFORE THE IMPACT OF THE CURRENCY TRANSLATION DIFFERENCE (A+B+C)</b>		<b>(115.752.740)</b>	<b>183.249.292</b>
<b>D.IMPACT OF THE CURRENCY TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENT</b>		<b>165.438.562</b>	<b>315.956.322</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>1.712.468.307</b>	<b>799.228.246</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>		<b>1.762.154.129</b>	<b>1.298.433.860</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 2024**

(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, construction, advanced composite manufacture to civil aviation sector, carbon fiber weaving and prepreg production for the luxury automotive industry and motorsports 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 Istanbul (“BIST”) since 1986. As at 30 June 2024, 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>2024</b>	<b>Ownership interest %</b>	<b>2023</b>	<b>Ownership interest %</b>
Sabancı Holding A.Ş.	138.327.614	71,11	138.327.614	71,11
Other	56.201.462	28,89	56.201.462	28,89
<b>Paid-in capital total</b>	<b>194.529.076</b>	<b>100,00</b>	<b>194.529.076</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 4.738. (31 December 2023: 4.614).

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**  
**AS AT 30 JUNE 2024**

(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 2024 and 31 December 2023 in accordance with the operating country and segment reporting purpose are as follows:

**30 June 2024**

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

**31 December 2023**

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

(\*) 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

(\*\*\*)All of the shares of Fabric Development Inc. and Textile Products Inc., which are 100% owned and directly controlled by Kordsa Inc. and operate in the field of composites, were transferred to Axiom Materials Acquisition LLC, which is also directly controlled by Kordsa Inc. and the title was changed to "Kordsa Advanced Materials Inc."

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 2024**

(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, 2024, in accordance with TAS 34 “Interim Reporting” standard.

In accordance with this Communiqué, the disclosures and footnotes required to be included in the annual financial statements prepared in accordance with Turkish Accounting Standards (TAS)/Turkish Financial Reporting Standards (TFRS) are summarised or omitted in accordance with TAS 34. Interim financial results alone are not necessarily indicative of the year-end results. The accompanying condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements as at 31 December 2023 and the accompanying notes

The accompanying 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 4 October 2022.

The Company maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries operating in foreign countries maintain their books of account and prepare their statutory financial statements in the currencies of the countries in which they operate and in accordance with the legislation of those 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 21 August 2024, and have been signed by the Chief Finance Officer Şermin Mutlu 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 2024**

(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)**

Conversion to Presentation Currency

Items included in the financial statements of the entities within the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Group is USD. The presentation currency of the Group is TL. In accordance with TAS 21 ("The Effects of Changes in Foreign Exchange Rates"), the financial statements prepared in USD are translated into TL using the following method:

- a. Assets in the balance sheet are translated into TL using the USD buying exchange rate, 32,8262 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 32,8853 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, 31,6176 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:

POA made a announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

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

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

As at the reporting date, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

Although the Company operates in Turkey, since its functional currency is US Dollars, no adjustment has been made in accordance with TAS 29.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2024**

(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)**

The table below sets out all Subsidiaries and shows their shareholding rates as at 30 June 2024:

<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
Microtex Composites S.r.l.	61,00	61,00
Kordsa Advanced Materials Inc.(*)	100,00	100,00
Axiom Materials Inc.	100,00	100,00
Fabric Development Inc.	100,00	100,00
Textile Products. Inc.	100,00	100,00
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

(\*) All of the shares of Fabric Development Inc. and Textile Products Inc., which are 100% owned and directly controlled by Kordsa Inc. and operate in the field of composites, were transferred to Axiom Materials Acquisition LLC, which is also directly controlled by Kordsa Inc. and the title was changed to "Kordsa Advanced Materials Inc."

The table below sets out all Subsidiaries and shows their shareholding rates as at 31 December 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
Microtex Composites S.r.l.(****)	61,00	61,00
Axiom Materials Acquisition LLC	100,00	100,00
Axiom Materials Inc. (**)	100,00	100,00
Fabric Development Inc.	100,00	100,00
Textile Products. Inc.	100,00	100,00
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 was completed on January 4, 2023.

(\*\*\*) Our indirect subsidiary PT Indo Kordsa Polyester is acquired by our subsidiary PT Indo Kordsa Tbk and the progress was completed after getting legal approvals relating the merger on January 4, 2023.

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

(\*\*\*\*\*) The purchase of 1% shares of our subsidiary Microtex Composites S.r.l was completed on September 21, 2023.

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2024**

(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

The 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.

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.



**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2024**

(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)

Changes in the Group's ownership interests in existing subsidiaries (continued)

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.

Transactions eliminated on consolidation

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

**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 2024

**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**

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2024**

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

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

**2.4 New and Revised Turkish Accounting Standards (continued)**

**a) Amendments that are mandatorily effective from 2024 (continued)**

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

***Amendments to TAS 1 Non-current Liabilities with Covenants***

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

***Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements***

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

***TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information***

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

***TSRS 2 Climate-related Disclosures***

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

The Group is in the process of assessing the potential impact of the standards, amendments and improvements on the consolidated financial position and performance of the Group.

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

**2.4 New and Revised Turkish Accounting Standards (continued)**

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
Amendments to TAS 21	<i>Lack of Exchangeability</i>

**TFRS 17 Insurance Contracts**

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

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

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

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

**Amendments to TAS 21 Lack of Exchangeability**

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

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

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**(continued)**

**2.5 Summary of Significant Accounting Policies**

**a) Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment if any (Note 9). Depreciation is provided on property, plant and equipment on a straight-line basis. The depreciation periods for property, plant and equipment, which approximate the economically useful lives of such assets, are as follows:

	<b>Years</b>
Land improvements	15
Buildings	20-40
Machinery and equipment	2-30
Motor vehicles	3-5
Leasehold Improvements	15
Furniture and fixtures	3-7

Useful lives and residual values are reviewed at each reporting date and adjusted if necessary. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their carrying amounts and are included in the related income and expense accounts, as appropriate.

Expenses for the repair of property, plant and equipment are normally charged against income. They are, however, capitalised in exceptional cases if they result in an enlargement or substantial improvement of the respective assets. Spare part changes and labour costs included in the large comprehensive maintenance and repair expenses are capitalised and depreciated on average useful lives until the next-largest comprehensive maintenance period.

**b) Intangible assets**

Intangible assets include rights, software and other identifiable rights. Intangible assets are recognized at acquisition cost and amortisation is calculated using the straight-line method over a period (Note 10). The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The fair value of intangible assets, which includes customer relationships and brand names acquired through business combinations, is determined on basis of the expected cash flow from the use or disposal of the related assets. Indefinite life has been determined for trademarks.

The estimated useful lives of these assets are as follows:

	<b>Useful Lives</b>
Customer relationship	14-30
Technology licences	7-8
Other intangible assets	5-20

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**(continued)**

**2.5 Summary of Significant Accounting Policies (continued)**

**b) Intangible assets (continued)**

*Internally generated intangible assets – research and development expenses*

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- The intention to complete the intangible asset and use or sell it,
- The ability to use or sell the intangible asset,
- How the intangible asset will generate probable future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

After initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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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 2024**

	Europe, Middle East and Africa(**)	North America	South America	Asia	Intersegment elimination (*)	Total
External Revenue	5.631.047.274	4.766.363.065	1.413.769.160	3.013.773.203	-	14.824.952.702
Intersegment Revenue	321.539.201	265.654.731	-	683.884.585	(1.271.078.517)	-
<b>Revenue</b>	<b>5.952.586.475</b>	<b>5.032.017.796</b>	<b>1.413.769.160</b>	<b>3.697.657.788</b>	<b>(1.271.078.517)</b>	<b>14.824.952.702</b>
Segment Operating Expenses, net	(5.443.848.565)	(5.336.083.457)	(1.336.073.343)	(3.416.677.049)	1.287.322.337	(14.245.360.077)
Segment Operating Results	508.737.910	(304.065.661)	77.695.817	280.980.739	16.243.820	579.592.625
<b>OPERATING PROFIT</b>	<b>508.737.910</b>	<b>(304.065.661)</b>	<b>77.695.817</b>	<b>280.980.739</b>	<b>16.243.820</b>	<b>579.592.625</b>

**b) Segment analysis for the period 1 April – 30 June 2024**

	Europe, Middle East and Africa(**)	North America	South America	Asia	Intersegment elimination (*)	Total
External Revenue	2.878.445.645	2.401.965.795	727.621.334	1.577.536.228	-	7.585.569.002
Intersegment Revenue	201.394.784	126.482.876	-	412.934.901	(740.812.561)	-
<b>Revenue</b>	<b>3.079.840.429</b>	<b>2.528.448.671</b>	<b>727.621.334</b>	<b>1.990.471.129</b>	<b>(740.812.561)</b>	<b>7.585.569.002</b>
Segment Operating Expenses, net	(2.848.883.400)	(2.747.743.847)	(663.772.862)	(1.844.559.024)	733.058.553	(7.371.900.580)
Segment Operating Results	230.957.029	(219.295.176)	63.848.472	145.912.105	(7.754.008)	213.668.422
<b>OPERATING PROFIT</b>	<b>230.957.029</b>	<b>(219.295.176)</b>	<b>63.848.472</b>	<b>145.912.105</b>	<b>(7.754.008)</b>	<b>213.668.422</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 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)	-
<b>Revenue</b>	<b>4.147.597.933</b>	<b>3.370.464.705</b>	<b>999.902.739</b>	<b>2.516.476.358</b>	<b>(827.982.463)</b>	<b>10.206.459.272</b>
Segment operating expenses, net	(3.987.926.444)	(3.306.198.741)	(996.343.518)	(2.224.582.204)	785.911.055	(9.729.139.852)
Segment operating results	159.671.489	64.265.964	3.559.221	291.894.154	(42.071.408)	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>(42.071.408)</b>	<b>477.319.420</b>

**d) 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)	-
<b>Revenue</b>	<b>1.998.993.763</b>	<b>1.627.565.877</b>	<b>501.552.527</b>	<b>1.295.978.971</b>	<b>(411.716.742)</b>	<b>5.012.374.396</b>
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.

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

e) Segment Assets	30 June 2024	31 December 2023
North America	18.453.006.499	16.092.046.575
Europe, Middle East and Africa	12.673.415.169	9.206.063.746
Asia	9.874.670.045	8.793.547.555
South America	2.320.955.685	2.238.374.588
<b>Segment Assets (*)</b>	<b>43.322.047.398</b>	<b>36.330.032.464</b>
Unallocated Assets	2.430.924.900	1.949.486.942
Less: Intersegment Eliminations	(4.995.577.313)	(3.303.405.309)
<b>Total Assets per Consolidated Financial Statements</b>	<b>40.757.394.985</b>	<b>34.976.114.097</b>

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

**f) Segment Liabilities**

	30 June 2024	31 December 2023
Europe, Middle East and Africa	13.414.970.158	10.054.984.349
North America	9.443.191.572	7.523.398.698
Asia	2.206.648.100	1.769.026.917
South America	666.243.465	481.560.369
<b>Segment Liabilities (**)</b>	<b>25.731.053.295</b>	<b>19.828.970.333</b>
Unallocated Liabilities	1.757.301.672	1.729.743.932
Less: Intersegment Eliminations	(4.025.943.318)	(2.643.275.409)
<b>Total Liabilities per Consolidated Financial Statements</b>	<b>23.462.411.649</b>	<b>18.915.438.856</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**

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Industrial Yarn and Cord Fabric	11.207.191.788	5.728.689.065	7.956.570.152	3.883.732.451
Advanced Composite Materials	3.188.969.438	1.636.796.621	2.016.973.340	1.011.881.678
Other	428.791.476	220.083.316	232.915.780	116.760.266
	<b>14.824.952.702</b>	<b>7.585.569.002</b>	<b>10.206.459.272</b>	<b>5.012.374.395</b>

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

The details of cash and cash equivalents as at 30 June 2024 and 31 December 2023 are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Cash	5.799.019	19.890.239
Bank-Demand Deposits	1.131.887.043	1.306.452.816
Bank-Time Deposits	624.468.067	386.125.252
	<b>1.762.154.129</b>	<b>1.712.468.307</b>

Time deposits have less than 3 months maturity. Average annual interest rate for time deposits are 0,01% for Euro (31 December 2023: 0,01%), Average annual interest rate for time deposits are 0,01% for US Dollars (31 December 2023: 0,01%) Average annual interest rate for time deposits are 37,00% for TL (31 December 2023: 25,00%).

There are no restricted cash and cash equivalents of the Group as at 30 June 2024 and 31 December 2023.

**NOTE 5 – BORROWINGS**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Short-Term Borrowings	6.210.352.094	6.954.689.210
Short-Term Portion of Long Term Borrowings	1.241.420.075	427.623.845
Lease Liabilities	124.689.358	113.022.245
<b>Total Short-Term Financial Borrowings</b>	<b>7.576.461.527</b>	<b>7.495.335.300</b>
Long-Term Borrowings	6.887.249.547	4.269.179.252
Lease Liabilities	940.678.826	851.762.569
<b>Total Long-Term Financial Borrowings</b>	<b>7.827.928.373</b>	<b>5.120.941.821</b>
<b>Total Borrowings</b>	<b>15.404.389.900</b>	<b>12.616.277.121</b>



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**NOTE 5 – BORROWINGS (continued)**

The details of long and short term borrowings as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024		31 December 2023	
	Weighted average effective interest rate %	TL	Weighted average effective interest rate %	TL
<b>Short-Term Borrowings</b>				
TL Borrowings	26,93	1.196.679.792	34,79	1.646.920.444
USD Borrowings	8,14	4.066.509.891	8,68	4.242.790.470
EUR Borrowings	6,43	782.309.031	8,23	908.398.549
Other Borrowings (*)	4,56	164.853.380	4,42	156.579.747
		<b>6.210.352.094</b>		<b>6.954.689.210</b>
<b>Short-Term Portion of Long Term Borrowings</b>				
USD Borrowings	8,17	1.241.420.075	9,33	427.623.845
		<b>1.241.420.075</b>	<b>9,33</b>	<b>427.623.845</b>
<b>Total Short-Term Borrowings</b>		<b>7.451.772.169</b>		<b>7.382.313.055</b>
<b>Long-Term Borrowings</b>				
USD Borrowings	8,14	6.180.792.135	8,25	4.040.308.100
EUR Borrowings	6,08	706.457.412	3,59	228.871.152
<b>Total Long-Term Borrowings</b>		<b>6.887.249.547</b>		<b>4.269.179.252</b>

(\*) Consists of Thai Baht(THB) currency loans.

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

As of 30 June 2024 and 31 December 2023, the redemption schedules of the long term-borrowings are summarized below:

	30 June 2024	31 December 2023
1 to 2 years	3.393.417.005	1.605.328.906
2 to 3 years	2.179.197.319	1.529.907.507
3 to 4 years	750.016.079	846.845.320
4 to 5 years	552.269.650	184.584.201
Over 5 years	12.349.494	102.513.318
	<b>6.887.249.547</b>	<b>4.269.179.252</b>

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**NOTE 5 – BORROWINGS (continued)**

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

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
<b>1 January Financial Liabilities</b>	<b>12.616.277.121</b>	<b>8.444.582.416</b>
Proceed from Borrowings	5.985.534.072	6.773.076.248
Repayment of Borrowings	(4.710.918.077)	(6.410.581.055)
Interest Expense Recognized in the Statement of Profit or Loss (Note 20)	710.555.591	344.373.900
Interest Payment	(604.637.287)	(223.082.151)
New Lease Liability Agreements	50.359.660	12.899.202
Lease Liability Repayments	(27.186.631)	(18.233.153)
Currency Translation Differences	1.384.405.451	3.234.985.094
<b>30 June Financial Liabilities</b>	<b>15.404.389.900</b>	<b>12.158.020.501</b>

**NOTE 6 - TRADE RECEIVABLES**

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Trade Receivables</b>		
Trade Receivables	5.477.744.801	4.525.475.297
Cheques Received	29.326.278	14.139.530
Due from Related Parties (Note 23)	340.129.568	317.610.477
	<b>5.847.200.647</b>	<b>4.857.225.304</b>
Less: Provision for Doubtful Receivables	(30.282.961)	(23.575.045)
Less: Unearned Credit Finance Income	(38.213.656)	(59.711.361)
	<b>5.778.704.030</b>	<b>4.773.938.898</b>

As at 30 June 2024, the annual interest rates used for the discount of trade receivables and payables are 61.07%, 8.59% and 6.99% for TL, USD and Euro, respectively (31 December 2023: 52.73%, 9.47%, and 8.60%). As at 30 June 2024, the average maturity of trade receivables is 66 days and the average maturity of trade payables is 55 days (31 December 2023: 68 days, 56 days respectively).

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

As of 30 June 2024, trade receivables amounting to TL 693.630.132 TL (31 December 2023: TL 543.697.365) were past due not impaired. The aging of these receivables as of 30 June 2024 and 30 June 2023 are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Up to 1 month	394.966.963	320.989.742
1 to 3 months	162.671.864	126.601.175
3 to 12 months	77.737.810	52.026.502
1 to 5 years	58.253.495	44.079.946
	<b>693.630.132</b>	<b>543.697.365</b>

As of 30 June 2024, trade receivables amounting to TL 30.282.961 (31 December 2023: TL 23.575.044) are overdue and the provision for doubtful receivables has been set aside. As of 30 June 2024 and 31 December 2023, the aging schedule of the related receivables is as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Up to 1 month	89.453	1.572.399
1 to 3 months	9.062.868	961.998
3 to 12 months	9.026.726	9.800.653
1 to 5 months	12.103.914	11.239.994
	<b>30.282.961</b>	<b>23.575.044</b>

Movement schedules of provision for doubtful receivables for the six months periods ended 30 June 2024 and 2023 are as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Balance on 1 January	23.575.045	16.431.373
Additions	12.764.979	10.575.164
Disposals	(8.084.639)	(10.263.124)
Currency Translation Differences	2.027.576	6.634.177
<b>Balance on 30 June</b>	<b>30.282.961</b>	<b>23.377.590</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Trade Payables</b>		
Trade Payables	4.340.050.565	3.328.970.832
Due to Related Parties (Note 23)	108.951.383	76.598.491
	<b>4.449.001.948</b>	<b>3.405.569.323</b>
Less: Unrealized Credit Finance Expense on Purchases	(40.273.306)	(30.330.193)
	<b>4.408.728.642</b>	<b>3.375.239.130</b>

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**NOTE 7 - OTHER RECEIVABLES, PAYABLES AND PROVISIONS**

<b>Other Short-Term Receivables</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Taxes and Other Duties (*)	346.135.674	304.496.833
Other	247.231.568	144.789.068
	<b>593.367.242</b>	<b>449.285.901</b>

<b>Other Long-Term Receivables</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Litigation Guarantee Receivables (**)	113.881.324	108.197.159
Other	8.663.003	4.842.975
	<b>122.544.327</b>	<b>113.040.134</b>

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

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

<b>Other Short Term Payables</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Taxes and Duties Payable	155.926.330	109.056.976
Other	26.296.417	33.768.336
	<b>182.222.747</b>	<b>142.825.312</b>

<b>Other Long Term Provisions</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Taxes and Duties Payable (***)	134.140.548	73.551.721
	<b>134.140.548</b>	<b>73.551.721</b>

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

**NOTE 8 - INVENTORIES**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Finished Goods	3.500.430.433	2.735.008.091
Raw Materials and Supplies	3.190.091.603	2.512.795.610
Semi-Finished Goods	377.679.215	530.719.908
Intermediate Goods	1.056.285.034	400.160.356
Spare Parts	432.983.545	735.863.664
Other Inventories	308.467.800	195.826.698
	<b>8.865.937.630</b>	<b>7.110.374.327</b>
Less: Provision for Obsolescence	(338.136.106)	(270.414.821)
	<b>8.527.801.524</b>	<b>6.839.959.506</b>

Movement schedules for provision for impairment in value as of 30 June 2024 and 2023 are as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Balances at 1 January	270.414.821	116.576.248
Additions	41.955.342	45.442.295
Disposals	(8.116.610)	(5.653.321)
Currency Translation Differences	33.882.553	55.147.230
<b>Balances at 30 June</b>	<b>338.136.106</b>	<b>211.512.452</b>

The amount of provision for inventory obsolescence is classified to cost of goods sold for the periods 30 June 2024 and 30 June 2023. The amount of provision for impairment of inventory charged to cost of goods sold for the six month period ended 30 June 2024 is TL 33.838.732 (1 January – 30 June 2023: TL 39.788.974)

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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 2024 is as follows:

	1 January 2024	Additions	Disposals	Transfers (*)	Currency Translation Differences	30 June 2024
<b>Cost:</b>						
Land and land improvements	411.662.574	-	-	2.293.252	37.525.837	451.481.663
Buildings	2.929.748.614	4.358.177	-	5.297.787	284.904.926	3.224.309.504
Machinery and equipment	15.562.483.304	80.469.623	(27.614.038)	447.925.652	1.488.086.909	17.551.351.450
Motor vehicles	14.204.400	-	-	-	1.338.194	15.542.594
Furniture and fixtures	609.934.632	9.423.358	(753.180)	72.522.289	45.192.681	736.319.780
Construction in progress	1.440.735.769	473.471.217	-	(613.833.657)	145.942.472	1.446.315.801
	<b>20.968.769.293</b>	<b>567.722.375</b>	<b>(28.367.218)</b>	<b>(85.794.677)</b>	<b>2.002.991.019</b>	<b>23.425.320.792</b>
<b>Accumulated depreciation:</b>						
Land improvements	88.392.002	1.892.472	-	-	9.984.113	100.268.587
Buildings	1.584.654.926	46.679.797	-	-	142.350.510	1.773.685.233
Machinery and equipment	9.390.708.808	359.305.729	(5.645.986)	-	842.271.145	10.586.639.696
Motor vehicles	9.199.194	538.861	-	-	782.761	10.520.816
Furniture and fixtures	413.656.984	24.071.274	(608.704)	-	31.407.388	468.526.942
	<b>11.486.611.914</b>	<b>432.488.133</b>	<b>(6.254.690)</b>	<b>-</b>	<b>1.026.795.917</b>	<b>12.939.641.274</b>
<b>Net book value</b>	<b>9.482.157.379</b>					<b>10.485.679.518</b>

(\*) For the six months period ended 30 June 2024, TL 85.794.677 was transferred to other intangible assets.

TL 477.257.396 (30 June 2023: TL 287.669.662) 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 9.400.418 (30 June 2023: TL 3.039.483) research and development expenses, TL 162.921.288 (30 June 2023: TL 95.343.861) are included in general administrative expenses, TL 3.836.891 (30 June 2023: TL 2.475.883) 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 2023 is as follows:

	1 January 2023	Additions	Disposals	Transfers(*)	Currency Translation Differences	30 June 2023
<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.

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**NOTE 10 – INTANGIBLE ASSETS**

The movement of intangible assets for the six month periods ended 30 June 2024 is as follows

	1 January 2024	Additions	Disposals	Transfers	Currency Translation Differences	30 June 2024
<b>Cost:</b>						
Rights	131.557.298	9.152.583	-	6.359.456	14.900.672	161.970.009
Technology licences	459.482.836	-	-	25.343.627	52.044.350	536.870.813
Capitalized development costs	445.242.207	114.291.281	-	-	55.611.130	615.144.618
Computer software	168.854.299	31.442.708	-	54.091.594	1.511.301	255.899.902
Customer relationships	2.649.081.651	-	-	-	304.878.988	2.953.960.639
Trademarks	821.141.717	-	-	-	94.504.016	915.645.733
Other intangible assets	130.318.755	-	-	-	14.998.197	145.316.952
	<b>4.805.678.763</b>	<b>154.886.572</b>	<b>-</b>	<b>85.794.677</b>	<b>538.448.654</b>	<b>5.584.808.666</b>
<b>Accumulated Depreciation:</b>						
Rights	69.251.048	8.298.602	-	-	8.204.962	85.754.612
Technology licences	246.838.240	34.867.907	-	-	28.394.154	310.100.301
Capitalized development costs	201.553.712	40.929.384	-	-	24.761.074	267.244.170
Computer software	135.210.637	9.533.125	-	-	4.749.679	149.493.441
Customer relationships	522.494.873	68.421.083	-	-	62.748.615	653.664.571
Trademarks	1.468.083	2.830.724	-	-	277.166	4.575.973
Other intangible assets	59.934.326	3.903.234	-	-	6.920.304	70.757.864
	<b>1.236.750.919</b>	<b>168.784.059</b>	<b>-</b>	<b>-</b>	<b>136.055.954</b>	<b>1.541.590.932</b>
<b>Net book value</b>	<b>3.568.927.844</b>					<b>4.043.217.734</b>

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

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

	1 January 2023	Additions	Disposals	Transfers	Currency Translation Differences	30 June 2023
<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 11 - RIGHT OF USE ASSETS**

The movement of right of lease assets for the six month periods ended 30 June 2024 is as follows:

	<b>1 January 2024</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Currency Translation Differences</b>	<b>30 June 2024</b>
<b>Cost</b>						
Property	951.957.561	5.914.270	-	-	98.784.942	1.056.656.773
Fixture	2.151.334	-	(231.251)	-	169.701	2.089.784
Vehicles	101.729.633	25.282.262	-	-	12.348.983	139.360.878
Other	93.230.741	19.163.128	-	-	11.531.366	123.925.235
	<b>1.149.069.269</b>	<b>50.359.660</b>	<b>(231.251)</b>	<b>-</b>	<b>122.834.992</b>	<b>1.322.032.670</b>
<b>Accumulated depreciation:</b>						
Property	170.801.169	29.175.584	-	-	20.772.522	220.749.275
Fixture	1.825.997	143.493	(231.251)	-	299.578	2.037.817
Vehicles	54.519.889	15.092.242	-	-	7.120.162	76.732.293
Other	51.323.226	7.732.478	-	-	5.739.627	64.795.331
	<b>278.470.281</b>	<b>52.143.797</b>	<b>(231.251)</b>	<b>-</b>	<b>33.931.889</b>	<b>364.314.716</b>
<b>Net book value</b>	<b>870.598.988</b>					<b>957.717.954</b>

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 Difference</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>

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**NOTE 12 – INVESTMENT PROPERTY**

	<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Balance as at 1 January – Opening</b>	<b>697.056.265</b>	<b>426.405.882</b>
Currency translation differences	80.223.200	162.477.692
<b>Balances at 30 June- Closing</b>	<b>777.279.465</b>	<b>588.883.574</b>

(\*) As of 31 December 2023, 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 31 December 2023, the fair value hierarchy level of investment properties measured by the revaluation method is 2.

**NOTE 13 – GOODWILL**

As at 30 June 2024 the goodwill having net book value amounting 134.508.928 USD (31 December 2023: 134.508.928 USD) consist of 3.193.789 USD (31 December 2023: 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 2023: 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 2023: 9.656.000 USD) and 19.893.604 USD (31 December 2023: 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 2023: 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 2023: 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 2023: USD 11.506.020) consists of Microtex acquisition.

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

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>
<b>Balance at the beginning of the year</b>	<b>3.959.700.724</b>	<b>2.515.088.288</b>
Currency translation difference	455.716.248	958.349.211
<b>Balances at 30 June</b>	<b>4.415.416.972</b>	<b>3.473.437.499</b>

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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 2024</b>	<b>31 December 2023</b>
Pledges given to banks	746.936.359	619.450.052
Security(*)	3.417.389.770	3.691.877.368
Letter of credits	794.685.995	796.049.692
Letter of guarantees	2.301.374.238	1.340.614.363
Commitments	508.459	1.551.295
	<b>7.260.894.821</b>	<b>6.449.542.770</b>

(\*) Kordsa Teknik Tekstil A.Ş. have been joint guarantor to borrowings used by Kordsa Inc. amounting to total USD 104.105.555 (31 December 2023: USD 125.411.111) equivalents TL 3.417.389.770 (31 December 2023: TL 3.691.877.368).

<b>b) Guarantees received:</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Letter of guarantees	38.906.411	100.062.473
Cheques and notes received as collateral	331.350	331.350
	<b>39.237.761</b>	<b>100.393.823</b>

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

As of 30 June 2024 and 31 December 2023, the tables regarding the collateral, pledge, mortgage and securities ("CPMS") position given by the Company are as follows:

	TL Equivalent	TL	USD	EUR	Thai Baht	Other TL Equivalent
<b>30 June 2024</b>						
A. Total amount of CPMSs given on behalf of own legal entity	3.843.505.051	1.889.245.167	45.676.571	5.309.578	138.914.473	144.605.859
B. Total amount of CPMSs given on behalf of subsidiaries consolidated in full	3.417.389.770	-	104.105.555	-	-	-
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>7.260.894.821</b>	<b>1.889.245.167</b>	<b>149.782.126</b>	<b>5.309.578</b>	<b>138.914.473</b>	<b>144.605.859</b>
<b>31 December 2023</b>						
A. Total of CPMSs given on behalf of own legal personality	2.757.665.402	950.635.909	42.710.536	8.810.393	140.147.143	142.166.483
B. Total of CPMSs given on behalf of subsidiaries consolidated in full	3.691.877.368	-	125.411.111	-	-	-
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>6.449.542.770</b>	<b>950.635.909</b>	<b>168.121.647</b>	<b>8.810.393</b>	<b>140.147.143</b>	<b>142.166.483</b>

The ratio of the other CPMSs given by the Group to equity is 0% as at 30 June 2024 (As at 31 December 2023 0%)

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**NOTE 15 – OTHER LIABILITIES**

<b>Other Long Term Liabilities</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Other(*)	1.165.420.075	818.443.973
	<b>1.165.420.075</b>	<b>818.443.973</b>

(\*) The Group has the option to buy/sell the remaining 39% of Microtex's shares from non-controlling shares, according to the shareholder agreement regarding the purchase of shares. The option to buy/sell shares will expire on August 05, 2027. The mentioned share buy/sell option is recorded under other long-term liabilities at EBITDA value (30 June 2024: TL 768.077.731) in the consolidated financial statements of the Group and is shown separately under equity attributable to owners of the Company.

**NOTE 16 - SALES AND COST OF SALES**

The revenues and costs of sales for the interim accounting periods ending on 30 June 2024 and 2023 are as follows:

	<b>1 January – 30 June 2024</b>	<b>1 April – 30 June 2024</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>
Sales income (gross)	14.991.272.524	7.674.650.603	10.412.100.416	5.139.075.042
Sales returns (-)	(47.656.074)	(23.049.214)	(52.192.256)	(43.614.162)
Sales discounts (-)	(70.847.473)	(27.071.791)	(55.824.923)	(34.460.614)
Other sales discounts (-)	(47.816.275)	(38.960.596)	(97.623.965)	(48.625.871)
<b>Sales Income (Net)</b>	<b>14.824.952.702</b>	<b>7.585.569.002</b>	<b>10.206.459.272</b>	<b>5.012.374.395</b>
Cost of sales (-)	(12.545.901.195)	(6.536.990.270)	(8.714.380.412)	(4.288.352.390)
<b>Gross Profit</b>	<b>2.279.051.507</b>	<b>1.048.578.732</b>	<b>1.492.078.860</b>	<b>724.022.005</b>

**NOTE 17 – EXPENSES BY NATURE**

Expenses for the interim accounting periods ending on 30 June 2024 and 2023, according to their natures, are as follows:

	<b>1 January – 30 June 2024</b>	<b>1 April – 30 June 2024</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>
Raw material and supply expenses	8.740.614.616	4.543.327.301	6.186.564.965	3.018.934.517
Personnel expenses	2.307.860.938	1.194.283.429	1.428.455.365	758.861.625
Energy expenses	933.185.448	470.941.028	738.182.732	340.454.904
Distribution expenses	433.446.880	212.727.798	226.354.043	109.680.505
Depreciation and amortization expenses	653.415.993	331.961.686	388.528.889	195.905.295
Packing expenses	226.413.558	118.172.013	160.559.382	81.814.168
Consultancy expenses	162.751.564	93.842.290	125.388.272	74.132.710
Service, maintenance expenses	38.155.140	23.064.917	28.229.600	14.092.524
Idle period expenses	71.056.722	45.699.362	61.507.112	19.738.301
Other	783.523.483	442.496.191	441.432.055	216.387.419
	<b>14.350.424.342</b>	<b>7.476.516.015</b>	<b>9.785.202.415</b>	<b>4.830.001.968</b>

General administrative expenses TL 977.963.037 TL (30 June 2023: TL 593.195.055), marketing expenses TL 748.741.837 (30 June 2023: TL 429.190.697), research and development expenses TL 77.818.273 (30 June 2023: TL 48.436.277) are shown in expenses by nature.

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**NOTE 18 – OTHER OPERATING INCOME AND EXPENSES**

Other income and expenses from operating activities for the interim accounting periods ending on 30 June 2024 and 2023 are as follow:

<b>Other operating income</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Unearned finance income on credit sales	207.152.829	158.500.828	108.962.052	54.313.105
Domestic production incentive income (*)	104.384.292	51.194.181	77.716.828	34.597.444
Foreign Exchange gains on trade receivables	-	-	-	(17.219.908)
Export incentive income	32.043.926	24.382.105	13.992.150	4.745.875
Government incentive income	-	-	6.047.792	123.837
Other	53.569.854	29.166.096	19.284.995	(1.297.339)
	<b>397.150.901</b>	<b>263.243.210</b>	<b>226.003.817</b>	<b>75.263.014</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 2024</b>	<b>1 April – 30 June 2024</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>
Foreign exchange gain/loss on trade receivables/payables - net	98.565.286	41.774.996	2.127.827	2.127.827
Donations	382.410	17.904	86.390.946	4.049.243
Unrealized finance expense on credit purchase	99.566.620	77.574.374	46.157.081	23.151.304
Taxes and duties	29.812.064	16.771.174	13.554.583	10.499.814
Expenses of the customer damages	228.225	228.225	621.256	594.264
Other	63.532.031	22.261.103	21.089.535	5.118.803
	<b>292.086.636</b>	<b>158.627.776</b>	<b>169.941.228</b>	<b>45.541.255</b>

**NOTE 19 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

Income and expenses from investment activities for the interim accounting periods ending on 30 June 2024 and 2023 are as follows:

<b>Income from investing activities</b>	<b>1 January – 30 June 2024</b>	<b>1 April – 30 June 2024</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>
Interest income	27.846.742	13.751.726	18.798.155	8.233.512
Gain on sale of property, plant, equipment	566.143	222.363	6.726.576	5.621.586
	<b>28.412.885</b>	<b>13.974.089</b>	<b>25.524.731</b>	<b>13.855.098</b>
<b>Expense from investing activities</b>	<b>1 January – 30 June 2024</b>	<b>1 April – 30 June 2024</b>	<b>1 January – 30 June 2023</b>	<b>1 April – 30 June 2023</b>
Loss on sale of property, plant, equipment	206.870	180.269	10.432.098	4.491.628
	<b>206.870</b>	<b>180.269</b>	<b>10.432.098</b>	<b>4.491.628</b>

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**NOTE 20 - FINANCIAL INCOME/ EXPENSES**

Financial income and expenses for the interim accounting periods ending on 30 June 2024 and 2023 are as follows:

<b>Finance income</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Foreign exchange gain	204.481.372	42.405.265	220.620.789	179.204.265
Gain on derivative instruments	83.575.442	74.182.249	11.105.796	11.105.796
Other	1.489.313	1.489.313	2.439.309	1.230.598
	<b>289.546.127</b>	<b>118.076.827</b>	<b>234.165.894</b>	<b>191.540.659</b>
<b>Finance expense</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Foreign exchange losses	49.535.406	16.580.589	140.151.749	92.734.820
Interest Expenses	710.555.591	335.465.105	344.373.900	210.556.772
Losses on derivative instruments	56.447.776	34.039.305	7.267.054	5.552.720
Other	78.490.975	36.582.727	38.183.295	23.498.864
	<b>895.029.748</b>	<b>422.667.726</b>	<b>529.975.998</b>	<b>332.343.176</b>

**NOTE 21 - TAXATION ON INCOME**

**Corporate Tax**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Corporate tax payable	136.364.884	309.713.695
Less: Prepaid taxes on income	(122.317.909)	(217.319.327)
<b>Current tax (asset)/ liability, net</b>	<b>14.046.975</b>	<b>92.394.368</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 25% as of 30 June 2024 (31 December 2023: %25). 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.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised. Dividend payments made to resident joint-stock companies in Turkey, to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 15% income tax.

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**NOTE 21 - TAXATION ON INCOME (continued)**

**Corporate Tax (continued)**

**Income tax withholding**

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 2024 and 2023 are summarized as follows:

	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Current period corporate tax expense	(136.364.884)	(99.072.003)	(121.103.822)	(63.335.203)
Deferred tax income / (expense)	254.487.752	198.306.352	(25.275.612)	(57.714.740)
	<b>118.122.868</b>	<b>99.234.349</b>	<b>(146.379.434)</b>	<b>(121.049.943)</b>

Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realised or settled based on the taxable income under the liability method are mentioned below:

<b>Country</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Turkey	%25	%25
Egypt	%30	%30
United States of America	%25	%25
Brazil	%34	%34
Indonesia	%22	%22
Thailand	%20	%20
Italy	%24	%24



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**NOTE 21 - 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 2024 and 31 December 2023 using the enacted tax rates are as follows:

	<b>Deferred tax/liabilities</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
Derivative Financial Instruments	(9.976.195)	7.938.346
Property, Plant and Equipment and Intangibles	(174.162.499)	(351.245.352)
Research and Development Incentive	161.321.255	106.567.856
Inventory	(67.555.058)	40.642.182
Provision for Employment Termination Benefits	62.608.453	86.214.157
Prepaid Expenses	114.508.672	51.855.217
Deductible Financial Losses (*)	422.045.698	425.285.367
Finance Income	24.343.869	14.247.680
Other, Net	87.134.133	48.738.845
<b>Net Deferred Tax Liability</b>	<b>620.268.328</b>	<b>430.244.298</b>

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

Movements of deferred tax balances for the six months period ended 30 June 2024 and 30 June 2023 are as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
<b>Balance at 1 January</b>	<b>430.244.298</b>	<b>(4.381.392)</b>
Current year deferred income / (expense)- net	254.487.752	(25.275.612)
Charges to Equity	(6.335.543)	10.108.103
Currency translation differences	(58.128.179)	(19.421.334)
<b>Balances as at 30 June</b>	<b>620.268.328</b>	<b>(38.970.235)</b>

**NOTE 22 – 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 2024</b>	<b>1 January- 30 June 2023</b>
Net income attributable to equity holders of the parent	(8.035.634)	(49.391.014)
Weighted average number of ordinary shares	19.452.907.600	19.452.907.600
Per 1.000 units of common stocks	(0,41)	(2,54)
Earnings per share from continuing operations		
Net income attributable to equity holder of the parent	(8.035.634)	(49.340.992)
Weighted average number of ordinary shares	19.452.907.600	19.452.907.600
Per 1.000 units of common stocks	(0,41)	(2,54)
Earning per share from discontinued operations		
Net income/(loss) attributable to equity holders of the parent	-	(50.022)
Weighted average number of ordinary shares	19.452.907.600	19.452.907.600
Per 1.000 units of common stocks	-	-

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**NOTE 23 - RELATED PARTY DISCLOSURES**

<b>Banka Balances:</b>	<b>30 June 2024</b>	<b>31 December 2023</b>		
Akbank T.A.Ş. – time deposits	196.077.695	386.100.745		
Akbank T.A.Ş. - demand deposits	74.941.991	36.791.480		
	<b>271.019.686</b>	<b>422.892.225</b>		
	<b>30 June 2024</b>	<b>31 December 2023</b>		
Akbank T.A.Ş. – bank borrowings	725.177.034	117.752.800		
	<b>725.177.034</b>	<b>117.752.800</b>		
<b>Due from related parties::</b>	<b>30 June 2024</b>	<b>31 December 2023</b>		
Brisa Bridgestone Sabancı Lastik Sanayi ve Tic. A.Ş. ("Brisa")	334.899.479	317.359.840		
Sabancı Dijital Teknoloji Hizm. A.Ş. ("SabancıDx")	1.430.722	-		
Akçansa Çimento Sanayi ve Ticaret A.Ş. ("Akçansa")	3.384.080	-		
Enerjisa Enerji Üretim A.Ş. ("Enerjisa")	222.214	-		
Çimsa Çimento Sanayi ve Ticaret A.Ş.	130.728	204.831		
Other	62.345	45.806		
	<b>340.129.568</b>	<b>317.610.477</b>		
<b>Due to related parties:</b>	<b>30 June 2024</b>	<b>31 December 2023</b>		
Enerjisa	59.743.684	58.935.945		
SabancıDx	35.919.041	9.931.431		
Aksigorta A.Ş. ("Aksigorta")	6.556.222	6.634.392		
Agesa	3.267.128	-		
Akbank	1.343.589	-		
Sabancı Holding	1.296.244	1.003.382		
Other	825.475	93.341		
	<b>108.951.383</b>	<b>76.598.491</b>		
<b>Product Sales</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Brisa	435.180.381	217.218.889	324.400.004	149.619.876
Other	2.883.472	1.183.708	1.966.004	1.655.926
	<b>438.063.853</b>	<b>218.402.597</b>	<b>326.366.008</b>	<b>151.275.802</b>
<b>Service received</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Enerjisa	294.577.952	156.884.969	277.739.891	112.984.125
Sabancı Holding	1.833.910	1.833.910	609.031	269.511
Aksigorta	184.158.869	25.586.962	53.401.007	3.651.933
SabancıDx	67.909.714	36.390.942	46.893.121	19.734.251
Other	9.060.570	7.727.434	4.688.389	2.630.014
	<b>557.541.015</b>	<b>228.424.217</b>	<b>383.331.439</b>	<b>139.269.834</b>

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**NOTE 23 - RELATED PARTY DISCLOSURES (continued)**

<b>Property, plant and equipment purchases</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Teknosa	540.626	504.977	1.573.547	1.573.547
	<b>540.626</b>	<b>540.626</b>	<b>1.573.547</b>	<b>1.573.547</b>
<b>Interest income</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Akbank T.A.Ş.	4.339.481	1.777.810	708.217	228.778
<b>Interest expense</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Akbank T.A.Ş.	9.051.376	197.187	11.357.618	1.614.050
<b>Foreign exchange gains / (losses) -net:</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Akbank T.A.Ş.	(4.109.942)	(1.614.597)	60.350.857	41.179.459
<b>Other income</b>	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Akbank	327.722	316.174	319.210	157.704
Enerjisa	347.501	347.501	184.784	184.784
SabancıDX	1.698.547	1.599.662	128.538	64.269
	<b>2.373.770</b>	<b>2.263.337</b>	<b>632.532</b>	<b>406.757</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 2024 and 2023 are as follows:

	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Short-term employee benefits	66.532.266	32.570.195	31.068.183	15.617.617
Post-Employment Benefits	6.212.682	4.183.904	656.602	656.602
Other Long-Term Benefits	248.242	6.658	139.724	(878.335)
	<b>72.993.190</b>	<b>36.760.757</b>	<b>31.864.509</b>	<b>15.395.884</b>

**Security and guarantee letters given**

The Group does not have any guarantees and letters of guarantee given as of 30 June 2024 and 31 December 2023.

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**NOTE 24 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**

Foreign currency position

Group's assets and liabilities denominated in foreign currencies at 30 June 2024 and 31 December 2023 are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Assets	2.427.673.856	2.166.638.611
Liabilities	(3.247.688.873)	(3.158.224.240)
<b>Net foreign currency position</b>	<b>(820.015.017)</b>	<b>(991.585.629)</b>

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**NOTE 24 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

30 June 2024	Total TL Equivalents	TL (*)	EUR (*)	Indonesian Rupiah ('000) (*)	Other TL equivalent(**)
<b>Assets:</b>					
Trade receivables	2.145.674.003	350.158.152	39.860.947	142.357.998.835	109.274.131
Cash and cash equivalents	184.600.686	29.712.420	3.836.203	6.408.281.930	7.254.717
Other monetary receivables and assets	79.745.175	-	235.250	34.395.565.788	2.381.841
Other non-monetary receivables and assets	-	-	-	-	-
<b>Current assets</b>	<b>2.410.019.864</b>	<b>379.870.572</b>	<b>43.932.400</b>	<b>183.161.846.553</b>	<b>118.910.689</b>
Financial assets available for sale	-	-	-	-	-
Other monetary receivables and assets	17.653.992	-	-	8.787.620.681	-
<b>Non-current assets</b>	<b>17.653.992</b>	<b>-</b>	<b>-</b>	<b>8.787.620.681</b>	<b>-</b>
<b>Total assets (a)</b>	<b>2.427.673.856</b>	<b>379.870.572</b>	<b>43.932.400</b>	<b>191.949.467.234</b>	<b>118.910.689</b>
<b>Liabilities:</b>					
Trade Payables	1.033.817.873	339.586.967	12.441.376	102.091.791.623	50.288.117
Borrowings	1.605.454.098	900.000.000	20.000.000	-	-
Other monetary payables and liabilities	114.741.692	-	-	57.012.228.945	-
<b>Total short term liabilities</b>	<b>2.754.013.663</b>	<b>1.239.586.967</b>	<b>32.441.376</b>	<b>159.104.020.568</b>	<b>50.288.117</b>
Borrowings	492.683.026	-	14.000.000	-	-
Other monetary payables and liabilities	992.184	-	-	492.990.852	-
<b>Total long term liabilities</b>	<b>493.675.210</b>	<b>-</b>	<b>14.000.000</b>	<b>492.990.852</b>	<b>-</b>
<b>Total liabilities (b)</b>	<b>3.247.688.873</b>	<b>1.239.586.967</b>	<b>46.441.376</b>	<b>159.597.011.420</b>	<b>50.288.117</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>(820.015.017)</b>	<b>(859.716.395)</b>	<b>(2.508.976)</b>	<b>32.352.455.814</b>	<b>68.622.572</b>
<b>Fair value of financial instruments used for foreign currency hedge</b>	<b>8.701.991</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 24 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

31 December 2023	Total TL Equivalents	TL (*)	EUR (*)	Indonesian Rupiah ('000) (*)	TL equivalent(**)	Other
<b>Assets:</b>						
Trade receivables	1.806.458.558	202.447.424	37.643.275	131.444.709.561		126.693.957
Cash and cash equivalents	176.147.868	47.921.795	2.306.662	20.516.086.749		13.892.395
Other monetary receivables and assets	149.246.928	4.920.331	706.490	59.577.345.718		7.488.744
Other non-monetary receivables and assets	-	-	-	-		-
<b>Current assets</b>	<b>2.131.853.354</b>	<b>255.289.550</b>	<b>40.656.427</b>	<b>211.538.142.028</b>		<b>148.075.095</b>
Financial assets available for sale	-	-	-	-		-
Other monetary receivables and assets	34.785.257	18.944.507	-	8.291.253.454		-
<b>Non-current assets</b>	<b>34.785.257</b>	<b>18.944.507</b>	<b>-</b>	<b>8.291.253.454</b>		<b>-</b>
<b>Total assets (a)</b>						
<b>Liabilities:</b>						
Trade Payables	651.599.332	281.489.793	7.971.781	33.306.110.531		45.631.374
Borrowings	2.426.549.907	1.646.920.444	23.800.000	-		-
Other monetary payables and liabilities	79.450.273	-	110.181	39.631.467.118		729
<b>Total short term liabilities</b>	<b>3.157.599.512</b>	<b>1.928.410.237</b>	<b>31.881.962</b>	<b>72.937.577.649</b>		<b>45.632.103</b>
Borrowings	-	-	-	-		-
Other monetary payables and liabilities	624.728	-	-	326.400.308		-
<b>Total long term liabilities</b>	<b>624.728</b>	<b>-</b>	<b>-</b>	<b>326.400.308</b>		<b>-</b>
<b>Total liabilities (b)</b>	<b>3.158.224.240</b>	<b>1.928.410.237</b>	<b>31.881.962</b>	<b>73.263.977.958</b>		<b>45.632.103</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>(991.585.629)</b>	<b>(1.654.176.180)</b>	<b>8.774.465</b>	<b>146.565.417.524</b>		<b>102.442.992</b>
<b>Fair value of financial instruments used for foreign exchange hedge</b>	<b>(4.149.603)</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 24 - 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 2024</b>	<b>31 December 2023</b>
US Dollars (Buy/Sell)	32,8262/32,8853	29,4382/29,4913
Euro	35,1284	32,5739
Indonesian Rupiah (1000 units)	2,0091	1,9096
Brazilian Real	5,9052	6,0806
Thai Baht	0,8908	0,8602
Egyptian Pound	0,6839	0,9527

  

<b>Average rates</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
US Dollars	31,6176	19,2178
Euro	34,2039	21,2946
Indonesian Rupiah (1000 units)	1,9966	1,3090
Brazilian Real	6,2178	3,8848
Thai Baht	0,8738	0,5763
Egyptian Pound	0,8016	0,6426

Foreign currency position as of 30 June 2024 and 31 December 2023 regarding the 10% changes in foreign currency rates is depicted in the table below:

<b>30 June 2024</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	(85.971.628)	85.971.628	-	-
Hedged portion of TL amounts (-)	-	-	-	-
<b>Net effect of TL</b>	<b>(85.971.628)</b>	<b>85.971.628</b>	-	-
Increase/(decrease) 10% of EUR parity				
EUR net asset / liability	(8.731.799)	8.731.799	-	-
Hedged portion of EUR amounts (-)	-	-	-	-
<b>Net effect of EUR</b>	<b>(8.731.799)</b>	<b>8.731.799</b>	-	-
Increase/(decrease) 10% of other parities				
Other foreign currency net asset / liability	12.701.925	(12.701.925)	-	-
Hedged portion of other foreign currency amounts(-)	-	-	-	-
<b>Net effect of other foreign currencies</b>	<b>12.701.925</b>	<b>(12.701.925)</b>	-	-
	<b>(82.001.502)</b>	<b>82.001.502</b>	-	-

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**NOTE 24 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)**

31 December 2023	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	(150.082.309)	150.082.309		
Hedged portion of TL amounts (-)	-	-		
<b>Net effect of TL</b>	<b>(150.082.309)</b>	<b>150.082.309</b>		
Increase/(decrease) 10% of EUR parity				
EUR net asset / liability	28.581.816	(28.581.816)		
Hedged portion of EUR amounts (-)	-	-		
<b>Net effect of EUR</b>	<b>28.581.816</b>	<b>(28.581.816)</b>		
Increase/(decrease) 10% of other parities				
Other foreign currency net asset / liability	37.704.912	(37.704.912)		
Hedged portion of other foreign currency amounts(-)	-	-		
<b>Net effect of other foreign currencies</b>	<b>37.704.912</b>	<b>(37.704.912)</b>		
	<b>(83.795.581)</b>	<b>83.795.581</b>		

Export and import balances from Turkey as of 30 June 2024 and 2023 are as follows:

	30 June 2024		30 June 2023	
	Original amount	TL equivalent	Original amount	TL equivalent
Euro	83.307.420	2.849.438.663	98.860.700	1.899.882.343
USD	33.077.434	1.045.829.077	43.592.847	837.757.373
<b>Total export</b>		<b>3.895.267.740</b>		<b>2.737.639.716</b>
			<b>1 January-30 June 2024</b>	<b>1 January-30 June 2023</b>
<b>Total import</b>			<b>3.181.403.922</b>	<b>1.703.619.754</b>



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**NOTE 24 - 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 2024, Kordsa Inc. has IRS as a derivative instrument to manage the variable interest risk of USD 74.750.000 for the repayment of the loan agreement amounting to USD 110.000.000. The fair value of the derivative instrument as of 30 June 2024 is TL 11.560.277 profit.

As of 30 June 2024, the net book values of derivative forward and clearing instruments are as follows:

	<b>Average Rate</b>	<b>Foreign Currency (USD)</b>	<b>Contract Value (TL)</b>	<b>Fair Value (TL)</b>
<b>USD sell TL buy</b>				
Between 3-6 months	41,1769	7.285.641	300.000.000	8.093.886
<b>Total</b>				<b>8.093.886</b>
<b>BRL sell USD buy</b>				
Between 6-9 months	5,2085	10.247.460	53.373.895	8.701.991
<b>Total</b>				<b>8.701.991</b>
<b>EURO sell USD buy</b>				
Between 0-3 months	1,1114	15.000.000	16.671.500	10.424.824
Between 3-6 months	1,1131	15.000.000	16.696.300	9.383.884
<b>Total</b>				<b>19.808.708</b>
<b>Forward/Swap Net</b>				<b>36.604.585</b>

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**NOTE 24 - 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 2024	31 December 2023		
Foreign currency forward/swap contracts	48.605.588	(31.753.382)	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 24 - 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 2024 and 30 June 2023 are as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
<b>Balance at 1 January</b>	<b>(951.945.731)</b>	<b>(952.108.089)</b>
Increases/decreases	33.606.581	3.267.047
Income tax related to gains/losses recognised		
In other comprehensive income	(8.401.645)	(653.409)
<b>Balance at 30 June</b>	<b>(926.740.795)</b>	<b>(949.494.451)</b>

**NOTE 25 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

No net loss for the six month period ended 30 June 2024 presented in the condensed consolidated profit or loss comprises the loss from Nile Kordsa (1 January – 30 June 2023: TL (98.082) loss).

**NOTE 26 - 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:

Subsidiary	Non-controlling interests%	<b>30 June 2024</b>		
		Profit / (loss) allocated to noncontrolling interests	Net profit / loss attributable to noncontrolling interests	Dividend distributed to non-controlling interests
PT Indo Kordsa Tbk (*)	38,41%	107.352.110	3.282.318.193	(122.807.029)
Other		21.121.411	241.175.898	-
<b>Total</b>		<b>128.473.521</b>	<b>3.523.494.091</b>	

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**NOTE 26 - INTEREST IN OTHER ENTITIES (continued)**

	<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>	

(\*) Consists of consolidated financial statements of PT Indo Kordsa Tbk 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 2024</b>	<b>31 December 2023</b>
Cash and cash equivalents	508.988.138	968.835.796
Other current assets	3.167.011.188	2.357.743.053
Non-current assets	6.500.897.042	5.724.887.878
<b>Total assets</b>	<b>10.176.896.368</b>	<b>9.051.466.727</b>
Short term borrowings	164.557.113	156.579.743
Other short term borrowings	1.948.658.931	1.552.530.493
Other long term liabilities	645.861.506	601.872.979
<b>Total liabilities</b>	<b>2.759.077.550</b>	<b>2.310.983.215</b>
<b>Total equity</b>	<b>7.417.818.818</b>	<b>6.740.483.512</b>
Equity attributable to owners of the parents	6.714.565.068	6.079.849.896
Non-controlling interests (*)	703.253.750	660.633.617

**Summary Profit&Loss:**

	<b>PT Indo Kordsa Tbk</b>	
	<b>1 January – 30 June 2024</b>	<b>1 January – 30 June 2023</b>
Sales	3.697.657.788	2.516.476.358
Cost of Sales	(2.957.062.870)	(2.055.877.631)
Depreciation and amortization	(188.221.538)	(86.352.006)
Operating profit / (loss)	280.980.741	305.568.226
Net financial income/ (expense)	16.488.181	(18.680.301)
Profit / (loss) before tax	297.468.922	286.887.925
Tax (-)	(81.226.138)	(73.679.264)
Non-controlling interests (*)	(39.443.509)	(14.294.643)
Profit for the period	176.799.275	198.914.018

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

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**NOTE 27 – EVENTS AFTER THE REPORTING PERIOD**

"Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375" was published in the Official Gazette dated 2 August 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the consolidated financial statements.